

FINANCIAL SERVICES BOARD

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Mr E Nel
ZAR X (PTY) LTD
2nd Floor, Lacey Oak House
Bally Oaks Office Park
35 Ballyclare Drive
BRYANSTON
2012

Dear Mr Nel

ZAR X (PROPRIETARY) LIMITED (ZAR X): APPLICATION FOR EXCHANGE LICENCE IN TERMS OF SECTION 9 OF THE FINANCIAL MARKETS ACT, 2012

1. The above application refers.
2. The Registrar hereby confirms his decision to grant ZAR X a licence to perform the functions referred to in section 10 of the Financial Markets Act, 2012 (Act No. 19 of 2012). The signed exchange licence is attached hereto for your ease of reference.
3. The exchange licence is granted subject to the terms and conditions as set out in the Annexure to the licence.
4. Please be advised that the Registrar is still considering the application by ZARX Nominees (Pty) Limited for approval as a nominee of a market infrastructure in terms of the requirements imposed by the Financial Services Board for nominees to operate in South Africa published under Board Notice 63 of 2007.

Yours sincerely

REGISTRAR OF SECURITIES SERVICES

Board Members: AM Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime
Prof PJ Sutherland FE Groepe D Turpin HMH Ratshefola D Msomi I Momoniat O Makhubela (Alternate)
Executive Officer: DP Tshidi

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EXCHANGE LICENCE

Exchange licence issued by the Registrar of Securities Services under section 9 of the
Financial Markets Act, 2012
(Act No. 19 of 2012)



FINANCIAL SERVICES BOARD

THIS IS TO CERTIFY THAT

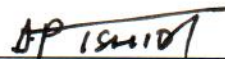
I, DP Tshidi, Registrar of Securities Services, have granted

ZAR X (PROPRIETARY) LIMITED
(Registration No 2015/089692/07)

an exchange licence in terms of section 9(1) of the Financial Markets Act, Act 19 of 2012 ("the Act") to perform functions under section 10 of the Act.

IT IS HEREBY RECORDED THAT

ZAR X (Proprietary) Limited shall operate under the terms and conditions set out in the attached Annexure.



REGISTRAR OF SECURITIES SERVICES
REPUBLIC OF SOUTH AFRICA

ANNEXURE**TERMS AND CONDITIONS**

1. The registered office and principal place of business in the Republic of South Africa where the ZARX (Proprietary) Limited (ZARX) exchange may be operated is situated at 2nd Floor, Lacey Oak House, Bally Oaks Office Park, 35 Ballyclare Drive, Bryanston, 2012
2. The ZARX exchange may not, without the written approval of the Registrar, operate at any other place other than the principal place of business mentioned in paragraph 1 above.
3. The ZARX exchange is restricted to listing and trading of only the following range of securities:
 - (a) Ordinary shares;
 - (b) Restricted shares;
 - (c) Investment company/SPV shares; and
 - (d) Cooperatives/agricultural company restricted shares and preference shares.
4. No high frequency trading, derivatives and short-selling shall be permitted on the ZARX exchange without the written approval of the Registrar.
5. For a period of 12 months after the granting of this exchange licence the admittance of Authorised Users as members of the ZARX exchange must be done in consultation with the Registrar. In addition, ZARX exchange must keep a comprehensive list of credentials of all admitted Authorised Users of the ZARX exchange.
6. The ZARX exchange shall not conduct any additional business or functions not provided for in section 10 of the Financial Markets Act, 2012 without the prior written approval of the Registrar.
7. In the event that the Minister of Finance prescribes statutory capital adequacy requirements for market infrastructures, the ZARX exchange will be required to comply with such requirements with effect from the date of application of such requirements.
8. The ZARX exchange is prohibited from dual-listing securities with any other market infrastructure within the Republic without any written prior approval of the Registrar.
9. The founding shareholders undertake not to sell their shares in the ZARX exchange for a period of three years from the granting of the exchange licence. Should any of the founding shareholders wish to sell its shares during the three year lock-in period such shareholder may only do so with the prior written approval of the Registrar.

10. If after the granting of the license any of the management of the ZARX exchange is replaced by a new person or any change occurs in the personal circumstances of the member of the management team which renders the person to no longer be fit and proper no such person may be permitted to take part in the management of the ZARX exchange, unless such person has been verified to be fit and proper by the Registrar.
11. The ZARX exchange shall cooperate with other market infrastructures with a view to further the objects of the Financial Markets Act, 2012 as stipulated in section 2 thereof.
12. The ZARX exchange licence is not transferable and this includes but is not limited to through either a sale of shares, transfer of ownership or on liquidation of the ZARX exchange.
13. The ZARX exchange shall not commence operations prior to the Registrar's written approval of ZARX Nominees (Pty) Limited as a nominee of the exchange.
14. The ZARX exchange must commence operations within a period of six months of the granting of this exchange licence and by not later than 28 February 2017;
15. The Registrar may impose additional conditions as he deems fit any time after the granting of the exchange licence.

Signed at Pretoria on this the 31st day of August 2016


REGISTRAR OF SECURITIES SERVICES