

Amendments to the Listings Requirements: Notification to FSCA

Definition Of Host Exchange

> A2X MARKETS

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www.a2x.co.za



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In terms of the A2X Listing Requirements, the Introduction to A2X, its controlling body and A2X Listing Requirements section, any amendments to the A2X Listing Requirements must be notified to issuers of A2X, with any comments or objections to the said amendments to be submitted in writing by the said issuers within 14 days for consideration.

The proposed amendments have been notified to issuers of A2X and no comments or objections were received. The proposed amendments have been approved by the A2X Regulatory Committee acting in accordance with the delegation of authority from the A2X Board.

Reasons for the Amendments

A2X is licensed to secondary or inward list securities with a primary listing on a host exchange defined as:

The exchange, approved by A2X and as published on its website (www.A2X.co.za), which exchange A2X determines is the primary regulator of the issuer of the qualifying listed security which security is traded on A2X and which exchange is a South African exchange or, as a minimum, is a full member of the WFE and part of a jurisdiction where its main regulator is an ordinary member of IOSCO, except in respect of an ETF and an ETN when the host exchange shall be the Johannesburg Stock Exchange.

This definition has proven to be restrictive and the intention is to amend the definition of host exchange to include foreign exchanges as approved by A2X rather than those exchanges that are members of the World Federation of Exchanges (“WFE”). The WFE is a voluntary trade association of exchanges. Exchanges pay a membership fee to be admitted to membership of the WFE and membership is not necessarily an indication of an exchange having appropriate and adequate regulatory rules and standards in place. The process to be followed by A2X going forward will be that in approving an exchange as a host exchange, A2X will assess the regulatory equivalence of the applicant exchange and the jurisdiction in which it is listed.

The proposed amendments set out in this notice reflect this proposed change where underlining indicates insertions and ~~strikeout~~ indicates deletions.



PROPOSED AMENDMENTS TO A2X'S LISTINGS REQUIREMENTS

Deletion of the following definition in section 2:

WFE	The World Federation of Exchanges which is an international trade association of publicly regulated stock, futures, and options exchanges.
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Amendment to the definition of host exchange

host exchange	A <u>The South African</u> exchange <u>or other foreign exchange</u> , approved by A2X and as published on its website (www.A2X.co.za), which exchange A2X determines is the primary regulator of the issuer of the qualifying listed security which security is traded on A2X and which exchange is a South African exchange or, as a minimum, is a full member of the WFE and part of a jurisdiction where its main regulator is an ordinary member of IOSCO., except in respect of an ETF and an ETN when the host exchange shall be the Johannesburg Stock Exchange.
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Gary Clarke

Head: Legal and Regulation

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