

# A2X LISTING REQUIREMENTS

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## **INTRODUCTION TO A2X, ITS CONTROLLING BODY AND A2X LISTING REQUIREMENTS**

### **A2X**

A2X is a market infrastructure licensed as an exchange in terms of section 9 of the Act.

### **Controlling body**

The board of directors of A2X is the controlling body of the exchange responsible for managing the affairs of the exchange. In terms of section 68 of the Act, the controlling body may delegate or assign any function entrusted to it under the Act or its rules to any person, group of persons or committee. It may also, with the approval of the registrar delegate functions to an external party.

### **A2X Listing Requirements**

In terms of section 11 of the Act, A2X must issue listing requirements that are required to be approved by the registrar and which must be met before a security may be included in the list maintained by A2X and traded on the trading facility. The requirements are required to ensure that the regulation of the business A2X conducts as an exchange is done in a fair and transparent manner with due regard to the rights of clients and investors. The listing requirements are set out in this document, the interpretation and enforcement of which vests with the controlling body.

The inclusion of an equity security in the list is granted subject to compliance with these requirements.

Any proposed amendments to the requirements should be submitted to the controlling body for consideration and approval. The listing requirements may also be amended by the registrar in terms of section 7 of the Act.

Amendments to the Listing requirements approved by the controlling body will be published for comment by issuers. Any comments or objections by issuers on the proposed amendments must be submitted in writing to the controlling body within 14 days. The comments or objections will be considered by the controlling body and a written response will be provided within 21 days. Amendments to the requirements must thereafter be approved in accordance with the provisions of section 11(6)(b) to (d) of the Act.

The trading in qualifying equity securities is regulated in terms of the trading rules which are required by an exchange in terms of section 17 of the Act.

Nothing contained in this section will limit the power of A2X, the controlling body or its officers and these parties may exercise such additional powers as are granted to them in terms of the Act. Any exercise of a discretionary power in terms of these requirements will be at the sole discretion of A2X.

## Section 1 – Interpretation and Definitions

A2X	A market infrastructure licensed as an exchange in terms of the Act.
A2X trading rules	The A2X rules applicable to the admission of members and regulation of transactions in qualifying equity securities included in the list.
Act	Financial Markets Act, No. 19 of 2012.
announce, circulate or circulation	The circulation of information by the issuer in the manner specified by A2X from time to time.
ANS	A2X news service.
applicant issuer	An issuer of a qualifying equity security applying to A2X for inclusion in the list.
business day	A day which is not a Saturday, Sunday or South African public holiday.
controlling body	The board of directors of A2X.
exchange	An exchange licensed in terms of section 9 of the Act
host exchange	The exchange which A2X determines is the primary regulator of the issuer of the qualifying equity security which security is traded on A2X and which exchange is a member of the WFE and part of a jurisdiction where its main regulator is an ordinary member of IOSCO.
IFRS	International Financial Reporting Standards.
IOSCO	The International Organisation of Securities Commissions which is an association of organisations that regulate the world's securities and futures markets with its members typically being the Securities Commission or the main financial regulator from each country.
issuer	The issuer of a qualifying equity security whose securities are also admitted to listing on A2X.
list	The list of qualifying equity securities maintained by A2X which qualifying equity securities are traded on the trading facility.
listed securities	Qualifying equity securities included in the list

	maintained by A2X.
listing	The inclusion of a qualifying equity security in the list.
member	An authorised user of A2X.
qualifying equity security	An equity security which is a listed security included in a list of securities maintained by the host exchange.
registrar	As defined in the Act
regulatory committee	The regulatory committee of the controlling body of A2X.
requirements	These listing requirements compiled in terms of section 11 of the Act as amended from time to time, including the introduction section.
related party	<p>A material shareholder;</p> <p>a person who was a director of the issuer or subsidiary or holding company or an executive officer of the issuer during the 12 month period prior to the date of the transaction;</p> <p>any advisor to the issuer who had a direct or indirect beneficial interest in the issuer, subsidiary or holding company during the 12 month period prior to the transaction; and</p> <p>any other person that A2X may determine to be a related party.</p>
trading facility	The A2X trading system.
trading notice	Any notice published or issued by or on behalf of A2X from time to time, which is displayed on the A2X website and may be emailed or copied to all members.
WFE	The World Federation of Exchanges which is an international trade association of publicly regulated stock, futures, and options exchanges.

## **Section 2 – Listing on A2X**

### **Listing**

- 2.1 The requirements govern the inclusion in the list of qualifying equity securities, the on-going obligations of entities participating in this market, including issuers, authorised users, their directors, officers, employees and agents who are bound by the requirements and other conditions of listings, the enforcement of those obligations and the sanctions for the contravention of the requirements.
- 2.2 The requirements are designed to enable the inclusion in the list and the trading of qualifying equity securities in a manner that is fair, efficient and transparent with the provision of sufficient information to investors to safeguard their interests and enable them to make informed investment decisions.
- 2.3 Nothing in the requirements will prevent A2X, in exceptional circumstances, from including in the list an equity security that does not meet the requirements or to refuse to include an equity security in the list that does meet the requirements on the grounds that, in the opinion of A2X, the granting or refusal to include the equity security in the list will further the objects of the Act.

### **Application for inclusion of an equity security in the list**

- 2.4 An application for inclusion of an equity security in the list by an applicant issuer will be in the manner and form as A2X may prescribe from time to time.
- 2.5 In the event that an application for the inclusion of an equity security in the list does not comply with the requirements or A2X is of the opinion that it will not further the objects of the Act, A2X will, if applicable:
  - 2.5.1 inform that applicant issuer of its intention to refuse the application;
  - 2.5.2 provide the applicant issuer with reasons for the intended refusal; and
  - 2.5.3 request the applicant issuer to make a written submission setting out the reasons why the application for the inclusion of the equity security in the list should not be refused.

### **Conditions for admission to the list**

- 2.6 In order to be considered for inclusion and retention in the list, an equity security:
  - 2.6.1 must be a qualifying equity security that is, upon the application by the applicant issuer, accepted by the controlling body for inclusion in the list;

- 2.6.2 where the financial information prepared by the issuer must comply with one or more of the following accounting frameworks:
  - 2.6.2.1 International financial reporting standards (IFRS);
  - 2.6.2.2 IFRS adopted by the European Union;
  - 2.6.2.3 United Kingdom GAAP;
  - 2.6.2.4 United States GAAP;
  - 2.6.2.5 Australian GAAP; and
  - 2.6.2.6 Canadian GAAP;
- 2.6.3 the annual financial statements of the issuer which have been issued no later than 6 months after the financial year end of the Issuer, must be available to be accessed by Investors either in hard copy or on its website; and
- 2.6.4 must comply with the requirements set out in the continuing eligibility for inclusion in the listing requirements set out in Section 3.
- 2.7 The applicant issuer may, upon application and at any time thereafter, be required by A2X to certify that it complies with all the listing requirements of the host exchange which certification may include a letter from the host exchange confirming that the applicant issuer is in good standing with the host exchange.
- 2.8 A2X may make the admission of an equity security subject to such special conditions as it may reasonably determine taking into account the objects of the Act.
- 2.9 If A2X becomes aware of any information which may impact on the appropriateness for inclusion in the list of a qualifying equity security, A2X may delay the approval of the listing for such time as A2X may take to investigate the matter and reach a decision as to whether or not to include the qualifying equity security in the list.

### **Approval of listing**

- 2.10 An equity security will be deemed to have been listed on A2X when:
  - 2.10.1 the qualifying equity security has been included in the list and members have been advised in a trading notice of the listing and its effective date; and
  - 2.10.2 an announcement on ANS advising of the listing and its effective date has been circulated.

### **Delay compliance with the requirements**

- 2.11 A2X may, when granting an application for inclusion in the list or at any time thereafter, in consultation with the Registrar, delay compliance with a specific provision of the requirements for such period and on such conditions as A2X may determine if any of the circumstances set out in section 11(8)(c) of the Act apply.



## **Section 3 – Continuing obligations of qualifying equity securities**

### **Continuing obligations**

#### **Listing requirements of the Host Exchange**

- 3.1 Retaining the status of a qualifying equity security requires that the issuer and agents of that issuer at all times comply with the listing requirements as prescribed by the host exchange.
- 3.2 The listing requirements of the host exchange take precedence over these requirements, save for the requirements set out in 3.3 – 3.17 below.

#### **Retention of status as a qualifying equity security**

- 3.3 In order to remain on the list, an equity security must retain its status as a qualifying equity security and comply with requirements 2.6 and 2.7.

#### **Financial Information and standards of disclosure**

- 3.4 An issuer must publish in its interim and year-end results headline earnings per share and diluted headline earnings per share as well as a detailed reconciliation between headline earnings and earnings used in the calculation.
- 3.5 The annual financial statements as well as any communication with shareholders issued by the issuer must indicate the trading venues upon which its equity securities are traded as well as which exchange is the host exchange;
- 3.6 An issuer must announce without delay the details of any transactions in qualifying equity securities by directors.
- 3.7 The announcement must disclose:
  - 3.7.1 the identity of the issuer and director;
  - 3.7.2 the date disclosure was made to the issuer;
  - 3.7.3 the date of the transaction;
  - 3.7.4 the trading venue on which the transaction was concluded;
  - 3.7.5 the price, amount and class of equity securities;
  - 3.7.6 the nature of the transaction;
  - 3.7.7 the nature and extent of the director's interest;

- 3.7.8 a statement that the relevant clearance to transact has been obtained; and
- 3.7.9 any other information that the issuer deems to be appropriate in the circumstances.

### **Standards of corporate governance**

- 3.8 An issuer must comply with all relevant provisions of the Companies Act.
- 3.9 An issuer must apply the principles of the most recent King Code on Corporate Governance (King code).
- 3.10 The issuer must clearly and comprehensively disclose in its annual financial statements how it applied the principles set out in the King code as well as the extent of its non-compliance, including for what part of the reporting period there has been non-compliance.
- 3.11 The issuer must specifically comply with the following corporate governance requirements in the manner prescribed by the King code:
  - 3.11.1 there must be a formal policy detailing how the optimum composition of the Board is achieved, including being assisted by a nominations committee;
  - 3.11.2 the issuer must have an appointed chief executive officer and an independent non-executive chairman who are not the same person. If the chairman is not an independent non-executive, an independent lead director must be appointed;
  - 3.11.3 all issuers must appoint an audit committee and a remuneration committee and if required, given the nature of the business and composition of the board, risk and nomination committees. The composition of such committees, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report;
  - 3.11.4 a brief CV for each director standing for election or re-election at a general meeting or the annual general meeting should accompany the notice of the general meeting or annual general meeting;
  - 3.11.5 the capacity of each director must be categorised as executive, non-executive or independent;

- 3.11.6 all issuers must have an executive financial director. The audit committee must consider, on an annual basis the appropriateness of the expertise and experience of the financial director and be satisfied with such appropriateness. The issuer must confirm this by reporting to shareholders in its annual report that the audit committee has performed this responsibility.
- 3.11.7 the board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary. The issuer must confirm this by reporting to shareholders in its annual report that the board has performed this responsibility.

## **Standards of conduct**

### **Changes to board**

- 3.12 An issuer must notify A2X of any appointment, resignation, removal, retirement or death of a director or the company secretary or change to any critical functions performed by the director.
- 3.13 A notification of the change must be made as soon as practically possible but by no later than 24 hours after the change or notification of the change.
- 3.14 A director and company secretary must comply with the fit and proper requirements as may be determined by A2X from time to time including completing and submitting to A2X a declaration confirming compliance within 14 days of the appointment.

### **Restrictions on transactions in equity securities**

- 3.15 An issuer must ensure that its directors, related parties and applicable employees do not transact in its equity securities during a closed period.
- 3.16. In the event that circumstances arise which could not have been reasonably foreseen by the issuer, related party or applicable employees that result in one of these parties wishing to transact in the issuer's equity securities, a resolution from the Board of directors authorising the transaction as well as a submission by the issuer motivating why the transaction should be permitted should be submitted to A2X for consideration and approval .

### **Duty to disclose information to A2X**

- 3.17 An issuer must notify A2X forthwith of any:
  - 3.17.1 termination or suspension of listing of its equity securities by the host exchange; and

- 3.17.2 information that the issuer believes is relevant to its ongoing listing on the host exchange or A2X. For the avoidance of doubt, information that is relevant to the ongoing listing on the host exchange or A2X includes all information that is required to be announced on the host exchange.
- 3.18 An issuer must ensure that any information which is required to be announced by the host exchange and these requirements must be provided to A2X in the format required and prior to it being announced elsewhere. Where the information is published on a day that is not a business day, the information must be circulated prior to the opening of the A2X market on the next business day.
- 3.19 An issuer must take reasonable care to ensure that any information provided to A2X or shareholders is not misleading or false and includes all material information.

## **Section 4 – Suspension or removal of a qualifying equity security from the list**

- 4.1 A2X may, subject to the provisions of the Act suspend trade in any equity securities where:
  - 4.1.1 A2X considers it necessary for the protection of investors and for the maintenance of a fair, efficient and orderly market; or
  - 4.1.2 an issuer fails to comply with the listing requirements and it is in the public interest to do so; or
  - 4.1.3 where the listing is suspended in terms of requirement 5.10.3; or
  - 4.1.4 it will further the objects of the Act.
- 4.2 A2X will immediately suspend the qualifying equity security from the list should the host exchange suspend the listing of the qualifying equity security.
- 4.3 A2X will immediately suspend the listing of any qualifying equity security if requested to do so by the registrar.
- 4.4 When the listing of securities of an issuer is under threat of suspension, the affected issuer will be given the opportunity of making written representations to A2X as to why the suspension should not be affected prior to the decision to suspend the listing.

### **Request for suspension or removal from an issuer**

- 4.5 The issuer may submit a written application for the suspension or removal from the list of its listing. The request must be accompanied by any information which the issuer believes to be of relevance to the application.

### **Consequences of the suspension**

- 4.6 Where trading of an equity security has been suspended, the procedure for lifting the suspension will depend on the circumstances and A2X may impose such conditions as it considers appropriate.
- 4.7 For the duration that the equity securities are suspended, the issuer must:
  - 4.7.1 continue to comply with all the requirements applicable to it;
  - 4.7.2 submit to A2X a monthly report setting out the current state of affairs of the issuer and, any action proposed to be taken by the issuer in order to have the listing reinstated;

- 4.7.3 make quarterly announcements to shareholders setting out the current state of affairs of the issuer and any action proposed to be taken by the issuer in order to have the listing reinstated.
- 4.8 When a suspension continues for a prolonged period without the issuer taking the required action to uplift the suspension of the listing, A2X may elect to terminate the listing.
- 4.9 Where A2X considers that an issuer or its business is no longer suitable for listing, it may publish an announcement naming the issuer and specifying the period within which the issuer must have resolved the issues which have rendered it unsuitable for listing. If the issuer fails to resolve the issues within the period set in the announcement, A2X will withdraw the issuer from the list.

#### **Reinstatement of the qualifying equity security on the list**

- 4.10 A2X may remove the suspension placed on the listing of a qualifying equity security if the:
  - 4.10.1 issuer has, to the reasonable satisfaction of A2X, addressed the issue or issues that resulted in the suspension; and
  - 4.10.2 suspension of the qualifying equity security is lifted by the host exchange.

#### **Powers of A2X to terminate a listing**

- 4.11 A2X may terminate a listing where:
  - 4.11.1 A2X considers it necessary for the protection of investors and for the maintenance of a fair, efficient and orderly market; or
  - 4.11.2 an issuer fails, in a manner which A2X considers material, to comply with the listing requirements and it is in the public Interest to do so; or
  - 4.11.3 the host exchange terminates the listing of the qualifying equity security; or
  - 4.11.4 the listing is terminated in terms of requirement 5.10.4; or
  - 4.11.5 it is in the public interest; or
  - 4.11.6 it will further the objects of the Act.

#### **Notification of suspension or removal from the list**

- 4.12 A2X will forthwith notify members and investors upon the suspension or removal of any qualifying equity security from the list through an announcement on ANS.

## **Section 5 – Investigations and enforcement**

### **Investigation functions**

- 5.1. The controlling body may set up and maintain systems for:
  - 5.1.1 monitoring compliance by issuers, directors, officers and employees with the Act and these requirements; and
  - 5.1.2 the surveillance and enforcement of any matter relevant for the purposes of the Act and the requirements.
- 5.2. The controlling body may investigate:
  - 5.2.1 activities of any issuer or person who at the relevant time was a director, officer or employee of an issuer;
  - 5.2.2 whether any issuer, director, officer or any of its employees comply with the Act and the requirements; and
  - 5.2.3 whether an issuer is conducting its business in a manner which could be detrimental to the interests of investors, or A2X or contrary to the objects of the Act.

### **Access to and use of information**

- 5.3 The controlling body may require any issuer or person who at the relevant time was a director, officer, or an employee of an issuer to furnish information on the subject of any investigation and deliver any book, document, tape or record, electronic or otherwise or other object which has a bearing on the subject of the investigation.
- 5.4 Any information, document, book, tape or electronic record or other object obtained by A2X, may be used in evidence in any disciplinary proceedings conducted by A2X and may be provided by A2X to any other body which may have jurisdiction over the matter under consideration.

### **Compliance with the requirements**

#### **Enforcement**

- 5.5 If the controlling Body considers that an issuer or a director or officer of the Issuer has contravened the listing requirements, the controlling body may, depending on the seriousness of the alleged offence, in accordance with the provisions of the FMA and without detracting from any other powers that A2X may have in terms of the requirements:

- 5.5.1 request the issuer to provide a written explanation of its actions and an undertaking to rectify the breach immediately; and/or
- 5.5.2 convene a disciplinary hearing to consider the alleged breach.

### **Disciplinary hearing**

- 5.6 The Regulatory Committee will hear and determine charges against an issuer, director or officer (referred to collectively as the issuer in rules 5.6-5.27) in respect of the alleged breach.
- 5.7 The Chairman of the Regulatory Committee may appoint a legally qualified adviser who is independent of any party to provide legal advice to the committee in respect of the hearing if deemed necessary. Such legal adviser will not be counted as a member of the Regulatory Committee, but will only advise the Regulatory Committee on legal matters.
- 5.8 The Regulatory Committee may also co-opt any person whom it considers appropriate. No-one who is a member of A2X staff may be appointed or co-opted to the Committee.
- 5.9 A party may be legally represented at the hearing.
- 5.10 Where the Regulatory Committee finds an allegation proven on the balance of probabilities, the Regulatory Committee may impose a penalty as follows:
  - 5.10.1 a written censure which may be public or private;
  - 5.10.2 impose a fine not exceeding the amount as prescribed in the Act on the issuer and on one or more directors in such amount as the controlling body may determine. Full particulars of the fine may be published by A2X in such publication or electronic medium as A2X may elect; and
  - 5.10.3 suspension of listing; and
  - 5.10.4 termination of listing.
- 5.11 The quorum for the Regulatory Committee is 3 members.
- 5.12 The names of the members of the Regulatory Committee are available on the A2X website.

### **Confidentiality**

- 5.13 Other than as set out in these requirements, and other than as between a party and its advisers, each party must keep confidential any matters relating to any proceedings except where disclosure is permitted or required by law.



## Mode of referral

- 5.14 Proceedings before the Regulatory Committee must be commenced by A2X submitting a statement of case to the issuer. The statement of case must set out the charge(s) and all material facts taken into account and must have attached to it copies of all documents relevant to the charge(s).
- 5.15 The issuer may submit a statement in response setting out all material facts and copies of all documents relied upon, which statement must be submitted within 2 days of receipt of the statement of case of A2X.
- 5.16 The Regulatory Committee may vary the period referred to in rule 5.15 at the request of the issuer.
- 5.17 At the expiry of the period referred to in rule 5.15, A2X must submit to the Regulatory Committee the statement of case and the issuer's response, together with copies of all other relevant documents.

## Procedure

- 5.18 Except where either party notifies the Regulatory Committee that it believes an oral hearing is essential to establish all the relevant facts, the Regulatory Committee may allow proceedings before the Regulatory Committee to take place through the consideration of documents with no oral hearing.
- 5.19 Where there is to be a hearing in accordance with rule 5.18, the Regulatory Committee will conduct it in private.
- 5.20 The Regulatory Committee will give not less than 14 days notice of the time and place of any hearing to the parties. This notice period may be shortened with the agreement of the parties.

## Deliberations and decisions

- 5.21 The Regulatory Committee is required to reach decisions on a majority basis.
- 5.22 Following its determination, the Regulatory Committee will notify the parties in writing of:
  - 5.22.1 its decision;
  - 5.22.2 the reason(s) for its decision; and
  - 5.22.3 whether any penalty is to be imposed under rule 5.10.
- 5.23 Any person who contravenes or fails to comply with the requirements may be ordered to pay the costs of the investigation or hearing.

- 5.24 Any fine imposed in terms of 5.10.2 will, in the absence of an order as to the costs, be used by A2X to defray the costs of any investigation or hearing conducted pursuant to which the fine was imposed and any balance will be used to fund the payment of any regulatory levies payable in terms of the Act.
- 5.25 A2X may, at any time, require an issuer to announce details of the enforcement action taken in terms of requirement 5.10 in such form and within such time limits as it considers appropriate for the purpose of protecting investors and maintaining the fair and efficient operation of the market.
- 5.26 If an issuer fails to comply with an instruction from A2X to publish information, A2X may itself announce the information after having given the issuer an opportunity to make representations to A2X as to why the information should not be published.
- 5.27 If any person fails to pay a fine imposed by A2X in terms of 5.10.2, A2X may, in terms of the provisions of the Act, file with the clerk or registrar of any competent court a statement certified by it as correct, stating the amount of the fine imposed, and such statement thereupon will have all the effects of a civil judgement lawfully given in that court against that person in favour of A2X for a liquid debt in the amount specified in the statement.

## **Section 6 – General provisions**

### **Fees**

- 6.1 A2X may levy such fees and charges for the provision of any service in terms of the requirements as it may prescribe from time to time.

### **Limitation of liabilities, warranties and indemnities**

- 6.2 Any action taken in terms of the requirements is subject to the limitation of liability provisions set out in section 72 of the Act.
- 6.3 A2X is not liable for any loss or damage resulting from force majeure.
- 6.4 A2X, any director, chief executive officer, officer, employee or representative of A2X or a member of the controlling body or a committee of the controlling body is not liable for any loss sustained by or damage caused to any person as a result of anything done or omitted by:
- 6.4.1 a director, chief executive officer, officer, employee or representative of A2X, a member of the controlling body or any committee of the controlling body in the bona fide performance of any function under or in terms of the Act and the requirements; or
  - 6.4.2 an issuer; or
  - 6.4.3 a member.

### **Applicable Law and Jurisdiction**

- 6.5 The requirements are to be interpreted by the controlling body in accordance with the laws of the Republic of South Africa.
- 6.6 All parties submit to the jurisdiction of the High Court of South Africa.