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EQUITY EXPRESS
securities exchange

SECURITIES EXCHANGE

LISTING REQUIREMENTS

Version 5

In terms of Section 11 of the Financial Markets Act, 2012



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1. INTRODUCTION TO EESE

The definitions contained in section 2 of these Listing Requirements apply to the introduction contained in this section 1.

1.1 Objectives

- (a) In terms of section 11 of the FMA, EESE 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 EESE and traded on the EESE Trading System.
- (b) The Listing Requirements contain the rules governing, *inter alia*:
 - (i) the manner in which securities may be listed or removed from the List and the manner in which the trading in listed securities may be suspended;
 - (ii) the requirements with which issuers of EESE Listed Securities and of securities which are intended to be listed, as well as such issuer's agents, must comply;
 - (iii) the standards of conduct that issuers of EESE Listed Securities and their Directors, officers and agents must meet;
 - (iv) the standards of disclosure and corporate governance that issuers of EESE Listed Securities must meet;
 - (v) such details relating to the EESE Listed Securities as may be necessary;
 - (vi) the steps that must be taken by the EESE Disciplinary Committee, (being the Persons to whom EESE has delegated its disciplinary functions), for the investigation and discipline of an issuer, or Director, officer or employee of an issuer, that contravenes or fails to comply with the Listing Requirements; and
 - (vii) for any contravention of or failure to comply with the Listing Requirements, the penalties that may be imposed by EESE or the EESE Listings Committee within the scope of the provisions of the FMA.
- (c) The Listing Requirements are further required to ensure that the regulation of the business EESE conducts as an exchange is done in a fair and transparent manner with due regard to the public interest.
- (d) The trading in EESE Listed Securities is regulated in terms of the EESE Rules which are required by an exchange in terms of section 17 of the FMA.

1.2 Competent Authority

- (a) EESE is the holder of an exchange licence in terms of the provisions of the FMA.



- (b) A Company wishing to have its securities dealt on EESE must apply for a Listing and must be in compliance with the requirements of EESE before being granted such Listing.
- (c) The EESE Board has delegated its authority in relation to the Listing Requirements, to the EESE Listings Committee and the EESE Disciplinary Committee.
- (d) The EESE Listings Committee is the competent authority responsible for:
 - (i) the List of the EESE Listed Securities which may be dealt on EESE;
 - (ii) applications by Applicant issuers for the Listing of securities on EESE; and
 - (iii) the annual revision of the List.
- (e) The EESE Disciplinary Committee is the competent authority responsible for:
 - (i) the investigation and discipline of an issuer, or Director, officer or employee of an issuer that contravenes or fails to comply with the Listing Requirements; and
 - (ii) imposing penalties for any contravention or failure to comply with the Listing Requirements in accordance with the FMA.
- (f) The Listing Requirements are set out in this document, the interpretation and enforcement of which vests with the EESE Listings Committee.
- (g) The inclusion of a security in the List is granted subject to compliance with these Listing Requirements.
- (h) Nothing contained in this section will limit the power of EESE, the EESE Board, the EESE Listings Committee, the EESE Disciplinary Committee or its officers and these parties may exercise such additional powers as are granted to them in terms of the FMA.
- (i) Any exercise of a discretionary power in terms of these Listing Requirements will be at the sole discretion of EESE and, subject to the General Principles, PAJA and the appeal provisions contained in section 105 of the FMA, its determinations or rulings will be final.

1.3 General Principles

- (a) It is impracticable and undesirable for the Listing Requirements and procedures to attempt to govern all circumstances that may arise in commercial practice. The Listing Requirements accordingly fall into two categories as follows:
 - (i) general principles which are set out below and which must be observed in all Corporate Actions and also in all submissions pertaining to EESE Listed Securities and securities to be listed (the **General Principles**);
 - (ii) the main body of the Listing Requirements which consists of the sections, schedules and guidance notes. The main body is derived from the application and interpretation of the General Principles by EESE (the **Main Body**).



- (b) Moreover, the spirit of the General Principles and the Main Body may be applied by EESE in areas or circumstances not expressly covered in the Listing Requirements.
- (c) EESE has discretion to modify the application of a requirement contained in the Main Body in exceptional circumstances, for example when EESE considers that the strict application of the requirement would conflict with the General Principles.
- (d) Accordingly, the users of the Listing Requirements must at all times observe the spirit as well as the precise wording of the General Principles and Main Body.
- (e) If there is any doubt as to the interpretation or application of the Listing Requirements, users must consult EESE.
- (f) The General Principles are as follows:
 - (i) to ensure the existence of a market for the raising of primary capital, an efficient mechanism for the trading of EESE Listed Securities in the secondary market, and to protect investors;
 - (ii) to ensure that securities will be admitted for Listing only if EESE is satisfied that it is appropriate for those securities to be listed;
 - (iii) to ensure that full, equal and timeous public disclosure is made to all Shareholders of EESE Listed Securities and the general public at large regarding the activities of an issuer that are price sensitive;
 - (iv) to ensure that Shareholders of relevant EESE Listed Securities are given full information and are afforded adequate opportunity to consider in advance and vote upon any of the following:
 - (A) Substantial changes in an issuer's business operations;
 - (B) any change in an issuer's Issuer Rules; and
 - (C) other matters affecting a listed Company's Memorandum of Incorporation or the rights of Shareholders of EESE Listed Securities;
 - (v) to ensure that all parties involved in the dissemination of information into the market place, whether directly to Shareholders of relevant EESE securities or to the public, observe the highest standards of care in doing so;
 - (vi) to ensure that all Shareholders of the same class of EESE Listed Securities of an issuer are accorded fair and equal treatment in respect of their EESE Listed Securities; and
 - (vii) to ensure that the Listing Requirements, and in particular the continuing obligations, promote investor confidence in standards of disclosure and corporate governance in the conduct of issuers' affairs and in the market as a whole.



- (g) Listed entities and their officers should also recognise that they assume a concomitant responsibility to EESE market and investors in the EESE market. In addition to complying with their obligations under the Listing Requirements, listed entities are expected to maintain high standards of integrity and accountability.

2. INTERPRETATION

2.1 Definitions

Throughout these Listing Requirements, unless otherwise stated or the context requires otherwise, an expression which denotes any gender includes other genders and the following terms will have the meanings set out below:

Admission means admission of securities to Listing on EESE and **admitted** shall be construed accordingly.

amalgamation or merger has the meaning ascribed to such term in the Companies Act.

annual general meeting has the meaning ascribed to such term in the Companies Act.

Announcement means an announcement of information on any medium of dissemination specified herein.

Applicable Laws means, in relation to any Person, all and any:

- (a) statutes, subordinate legislation and common law;
- (b) regulations;
- (c) ordinances and by-laws;
- (d) directives, codes of practice, circulars, guidance notes, judgements and decisions of any competent authority, or of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or any other authority or organisation; and
- (e) other similar provisions.

Applicant means an issuer or a New Applicant.

Associate means, in relation to:

- (f) a natural Person, means:
 - (i) that natural Person's Immediate Family;



- (A) family of the trustees, acting as such, of any trust of which the individual or any of the individual's Immediate Family is a beneficiary or discretionary subject, including trustees of a trust without nominated beneficiaries, but who have been provided with a letter of wishes or similar document or other instruction, including a verbal instruction, naming desired beneficiaries (other than a trust that is either an occupational pension scheme, or an employees' share scheme that does not, in either case, have the effect of conferring benefits on the individual or the individual's family) any trust, in which the individual and/or his family referred to in (i) above, individually or taken together have the ability to control 35 % of the votes of the trustees or to appoint 35% the trustees, or to appoint or change 35 % of the beneficiaries of the trust. Without derogating from the above, and for the purposes of this definition, the term trust may also be replaced with any other vehicle or arrangement set up for similar purposes to that of a trust; and/or ;

- (B) any Company in whose Equity Securities the individual or any Person or trust contemplated in (A)above, taken together, are directly or indirectly beneficially interested, or have a conditional, contingent or future entitlement to become beneficially interested, and that the individual or any Person or trust contemplated in (A)above are, or would on the fulfilment of the condition or the occurrence of the contingency be, able:
 - I. to exercise or control the exercise of 35% or more of the votes able to be cast at general meetings on all, or Substantially all, matters; or
 - II. to appoint or remove Directors holding 35% or more of the voting rights at board of Directors' meetings on all, or Substantially all, matters; or
 - III. to exercise or Control the exercise of 35% or more of the votes able to be cast at a board of Directors' meeting on all, or Substantially all, matters; and/or

- (C) any close corporation in which the individual and/or any member(s), taken together, of the individual's family are beneficially interested in 35% or more of the members' interest and/or are able to exercise or control the exercise of 35% or more of the votes able to be cast at members' meetings on all, or Substantially all, matters; and/or

- (D) any associate as defined below with reference to a Company of the Company referred to in (C) above. For the purpose of (C)above, where more than one Director of the same listed Company is directly or indirectly beneficially interested in the Equity Securities of another Company, then the interests of those Directors and their Associates will be aggregated when determining whether such a Company is an Associate of any one Director of such listed Company; and/or



- (E) a Person in respect of which that Person is recognised in law or appointed by a court as the Person legally responsible for managing the affairs of or meeting the daily care needs of the first-mentioned Person;

- (g) a juristic Person:
 - (i) which is a Company, means:
 - (A) its Subsidiary or its Holding Company and any other Subsidiary or Holding Company thereof as defined in section 1 of the Companies Act;
 - (B) any Company whose Directors are accustomed to act in accordance with the Company's directions or instructions; and/or
 - (C) any Company in the capital of which the Company, and any other Company under (A) and (B) taken together, is, or would on the fulfilment of a condition or the occurrence of a contingency be, interested in the manner described in (f)(i)(B) above; and/or
 - (D) any trust that the Company and any other Company under (A) and (B) above, individually or taken together, have the ability to control 35 % of the votes of the trustees or to appoint 35% of the trustees, or to appoint or change 35 % of the beneficiaries of the trust. Without derogating from the above, and for the purposes of this definition, the term trust may also be replaced with any other vehicle or arrangement set up for similar purposes to that of a trust.
 - (ii) which is a close corporation registered under the Close Corporations Act, 1984, means any member thereof as defined in section 1 of that Act;
 - (iii) which is not a Company or close corporation, means another juristic Person which would have been its Subsidiary or Holding Company:
 - (A) had it been a Company; or
 - (B) where that other juristic Person is not a Company either, had both it and that other juristic Person been a Company; and
 - (C) means any Person in accordance with whose directions or instructions its board of Directors or, in the case where such juristic Person is not a Company, the governing body of such juristic Person, acts;
 - (iv) in relation to any Person:
 - (A) means any juristic Person whose board of Directors or, in the case where such juristic Person is not a Company, the governing body of such juristic Person, acts in accordance with its directions or instructions; and



(B) means a trust controlled or administered by it.

Audit Firm means the partnership or incorporated Company registered with the IRBA.

Auditor includes the Audit Firm and the individual auditor assigned and/or appointed to perform a statutory audit of an Applicant, where for the avoidance of doubt, such Audit Firm or individual auditor, as applicable, is not a person contemplated in section 90(2)(b) of the Companies Act.

authorised user has the meaning ascribed to such term in section 1 of the FMA.

Broad-based Black Economic Empowerment or **BBBEE** has the meaning assigned to such term in the Broad-Based Black Economic Empowerment Act, 2003 as amended from time to time.

Business Day means any day other than a Saturday or Sunday, public holiday in South Africa or any other day on which EESE is closed.

Certificate of Compliance means the Certificate of Compliance which each issuer must complete and Publish in the form prescribed by EESE made available on EESE's website.

Certificated Securities means securities of the same class as EESE Listed Securities of an issuer which are not dematerialised, including immobilised certificated securities in respect of which the certificates and/or documents of title have been deposited with a transfer secretary.

CIPC means the Companies and Intellectual Property Commission established in terms of section 185 of the Companies Act.

Circular means any document issued to Shareholders, including notices of meetings, but excluding annual financial statements, interim reports, provisional reports, proxy forms and dividend or interest notices.

Closed Period means:

- (a) the date from the financial year end up to the date of earliest publication of the annual financial statements or provisional report;
- (b) the date from the expiration of the first six month period of a financial year up to the date of publication of the interim results; and
- (c) any period when an issuer is trading under a cautionary Announcement.

Companies Act means Companies Act, 2008.

Company means a juristic Person, wherever incorporated or established, including any undertaking, association of Persons or entities and any trust or similar device, wherever established, that issues securities.

company secretary means a company secretary as defined in Part B of Chapter 3 of the Companies Act and including any official of a Company, by whatever name that Person may be designated, or a Company which performs the duties normally performed by a company secretary.

Corporate Action means an action taken by an issuer or any other entity or third party which affects the Shareholders of securities in terms of entitlements or notifications.



Counter Trading Page means the issuer branded trading page on the EESE Website.

CPA means the Consumer Protection Act, 2008.

CSDP means a central securities depository participant that has been accepted by the EESE CSD as a participant.

Day(s) means any day of the week (i.e. calendar days).

Director has the meaning ascribed to such term in section 1 of the Companies Act and, in relation to an entity that is not a Company, a Person with corresponding powers and duties.

Disqualify, Disqualification and **Disqualified** where used in relation to the Listing of an issuer's securities means termination of the qualification of an issuer for Listing of its securities on EESE Trading System.

distribution has the meaning ascribed to such term in Section 1 of the Companies Act.

EESE means Equity Express Securities Exchange Proprietary Limited, a company duly registered and incorporated with limited liability under the company laws of the South Africa under registration number 2015/197820/07, licensed as an exchange under the FMA.

EESE Authorised User means a Person authorised by EESE to perform Trading and Verification Services in accordance with the EESE Rules.

EESE Board means the board of Directors of EESE constituted from time to time in terms of EESE's Memorandum of Incorporation, and includes any committee of EESE Board of to which powers have been delegated in accordance with the FMA, Listing Requirements, EESE Rules or directives.

EESE Central Securities Depository (EESE CSD) means the central securities depository which has been designated by EESE as its central securities depository which for the time being is Strate.

EESE CSDP means the CSDP which has been designated by EESE as the CSDP to be appointed by each EESE Authorised User for purposes of transacting in and settling transactions in EESE Listed Securities.

EESE Disciplinary Committee means the disciplinary committee appointed by the EESE Board from time to time.

EESE Listings Committee means the listings committee appointed by the EESE Board from time to time.

EESE Listed Securities means Equity Securities included in the List kept by EESE in terms of section 11 of the FMA and which EESE has authorised for trading on the EESE Trading System.

EESE Rules means the rules and directives pertaining to EESE's market, made by EESE in accordance with the FMA, as amended from time to time.



EESE Trading System means the computer system or systems, known as Equity Express, and associated network or networks operated or used by EESE for the purpose of providing a trading platform for the trading of EESE Listed Securities via each Counter Trading Page of the EESE Website.

EESE Website means the official website of EESE which for the time being is www.eese.co.za.

Equity Instruments means securities with restricted voting rights but which participate in the distribution of profits in a manner directly linked to the profitability of the company.

Equity Securities means shares, Equity Instruments and Equity Instruments convertible into shares.

FMA means the Financial Markets Act, 2012.

foreign company has the meaning ascribed to such term in Section 1 of the Companies Act.

Freely Tradable means securities that have no restriction on resale or transfer, including restrictions imposed by pooling or other arrangements in a shareholder agreement.

FSCA means the Financial Sector Conduct Authority of South Africa as defined in the Financial Sector Regulation Act, 2017, or any successor organisation.

Holding Company means a Company that has one or more subsidiaries.

Hours means hours during the course of a Business Day.

IFRS means the International Financial Reporting Standards formulated by the International Accounting Standards Board.

Immediate Family means an individual's Spouse or children.

Income Tax Act means the Income Tax Act, 1962.

Intangible Assets means non-monetary assets without physical substance including but not limited to intellectual property rights, goodwill, patents, trademarks, brand names, copyrights, franchises, licenses, know-how and publication titles.

Introductory Offer means a method of bringing securities to Listing not involving an issue of new securities or any marketing of existing issued securities because the issuer already complies with the conditions for Listing (including but not limited to the issuer's beneficial ownership requirements and its Issuer Rules).

Investor Relations Activities means any activities or oral or written communications, by or on behalf of an issuer or shareholder of an issuer that promotes or reasonably could be expected to promote the purchase, or sale of EESE Listed Securities of the issuer, but does not include:

(a) the dissemination of information provided, or records prepared, in the ordinary course of business of the issuer

(i) to promote the sale of its products or services, or



- (ii) to raise public awareness of the issuer, that cannot reasonably be considered to promote the purchase, or sale of EESE Listed Securities of the issuer.
- (b) activities or communications necessary to comply with
 - (i) Applicable Laws, or
 - (ii) the Listing Requirements or the requirements of any other regulatory body having jurisdiction over the issuer.
- (c) communications by a Publisher of, or writer for, a newspaper, magazine or business or financial publication that is of general and regular circulation if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the Publisher or writer receives no commission or other consideration other than for acting in the capacity of Publisher or writer; or
- (d) such other activities or communications that may be specified by EESE.

IRBA means the Independent Regulatory Board for Auditors, a body established in terms of the Auditing Profession Act, responsible for the registration and regulation of registered auditors in South Africa.

issuer has the same meaning as that contained in section 1 of the FMA.

Issuer Representative (IR) means any designated point of contact for an issuer, including a senior member of the issuer, Auditor, attorney, or company secretary responsible for:

- (a) assisting Applicant issuers with applications for Listing which require the submission of Listing particulars and/or other relevant documentation; and
- (b) ensuring the ongoing compliance of the issuer with the Listing Requirements; and
- (c) providing advice, on a continuing basis, regarding the application of the Listing Requirements, including the application of the spirit of the Listing Requirements and upholding the integrity of EESE.

Issuer Rules means the rules prescribed by an issuer on trading of Restricted Securities with respect to:

- (a) criteria governing who may own/acquire the Restricted Securities (e.g. race, occupation, gender, membership, association);
- (b) limits on the number of Restricted Securities any single Person may own; and
- (c) any other restrictions an issuer is entitled to impose in relation to the rights and obligations attached to each Restricted Security.

Issuer Website means the official website of any issuer as managed and maintained by that issuer



King Code means the King Code on Corporate Governance for South Africa, as amended or replaced from time to time.

Last Day to Trade or **LDT** means the last Business Day to trade in an EESE Listed Security in order to settle by Record Date to be able to qualify for entitlements or to participate in an event. AS EESE Listed Securities settle immediately after a bid and offer are matched in terms of the EESE Rules, LDT is the Record Date.

List means the list maintained by EESE of EESE Listed Securities.

Listing means the Admission of securities to the List and **listed** shall be construed accordingly.

Listing Agreement means a Listing agreement in the form set out in Schedule 7 hereto.

Listing Circular means a Circular in the form prescribed by EESE made available on EESE's website, together with all required supporting documents.

Listing Requirements means the listing requirements of EESE, pursuant to the provisions of the FMA, as amended from time to time, including the Sections and schedules contained herein.

Material Information means information that, if omitted or misstated, could influence the economic decisions of users and includes a change in, or constituent of, a particular factor that may be regarded in the circumstances as being material and that, as a rule of thumb, would normally be equal to or exceed 10%.

Memorandum of Incorporation has the meaning ascribed thereto in the Companies Act.

New Applicant means an Applicant, who has no class of securities already listed.

Net Tangible Assets means the total assets of a Person, less any Intangible Assets, all liabilities and the par value of preference shares.

Person includes without limitation a Company, corporation, incorporated syndicate or other unincorporated organisation, sole proprietorship, partnership, stokvel or trust.

Personal Information Form or **PIF** means the form prescribed by EESE made available on EESE's website.

Prelisting Application Form means the form set out in Schedule 1 hereto.

Price Sensitive Information means information, which has not been made public, that is specific and precise and that, if it were made public, would be reasonably likely to have a material effect on the price or value of any EESE Listed Security.

Private Placement means a marketing of securities already in issue but not listed, or not yet in issue, to specified Persons or to any Person assisting in the Private Placement, that:

(a) does not involve an offer to the public as defined in the Companies Act; or

(b) is made only to existing Shareholders of the Applicant's securities generally.





Professional Body means a trade association of an organised profession (accounting, law, etc.) that certifies successful completion of its requirements, and thereupon awards a license and bestows a recognised appellation, and which body prescribes a discretionary or mandatory code of conduct for their members.

PAJA means the Promotion of Administrative Justice Act, 2000.

Prospectus means a prospectus issued in accordance with the Companies Act and in compliance with these Listing Requirements if issued by an issuer or new Applicant.

Publish means submitting a document in prescribed electronic format to EESE for publication on the Counter Trading Page as well as the Issuer Website.

Record Date or **RD** means the date specified as the Record Date for the purpose of determining Shareholders eligible for a distribution or other entitlement.

Registrar means the Registrar of Securities Services referred to in section 6 of the FMA.

Regulatory Bodies include but are not limited to:

- (a) the FSCA;
- (b) the CIPC;
- (c) the TRP; and
- (d) the Tribunal.

Related Party has the meaning given to that term in paragraph 8.3(b) below.

Restricted Securities means EESE Listed Securities that are not Freely Tradable where the issuer has imposed restrictions on such EESE Listed Securities in its prescribed Issuer Rules.

Rights Offer an offer by an issuer to existing Shareholders of securities to subscribe for further securities in the issuer in proportion to their existing holdings by means of the issue of a renounceable right that is traded as either fully paid or nil paid rights for the period before payment for the securities is due.

SAICA means the South African Institute of Chartered Accountants.

securities has the meaning ascribed to such term in section 1 of the FMA.

Securities Regulation means any and all laws and regulations applicable to the operation of financial markets in South Africa, including but not limited to, the Companies Act, the FMA; as well as the rules imposed by the relevant Regulatory Bodies from time to time.

share has the meaning assigned to such term in section 1 of the Companies Act.

Shareholders means the holders of EESE Listed Securities and Certificated Securities from time to time.

shareholders meeting the meaning assigned to such term in section 1 of the Companies Act.



Significant means any matter or element that is Significant for the purpose of making an informed assessment of any transaction or listed security. As a rule of thumb Significant should be interpreted as being less than material.

South Africa means the Republic of South Africa.

Special Purpose Vehicle means a legal entity (usually a limited liability Company) specifically created to fulfil narrow, specific or temporary commercial objectives.

Special Resolution means a resolution as contemplated in section 65(9) of the Companies Act or in terms of the relevant Company's Memorandum of Incorporation, which Special Resolution may, for purposes of the Listing Requirements, be passed only with the support of at least 75% of the votes cast by all Shareholders present in convened to approve such resolution.

Spouse means a Person who is in a marital relationship (recognised as a marriage in terms of the matrimonial laws of any country) with the individual at the time of the relevant transaction, including but not limited to, the individual's Spouse in terms of a same sex, hetero-sexual or customary union or any marital union acknowledged by any religion or custom.

Strate means Strate Proprietary Limited, a company duly registered and incorporated with limited liability under the company laws of South Africa under registration number 1998/02224/07, licensed as a central securities depository under the FMA.

Subsidiary means a Subsidiary as defined in section 1 of the Companies Act as read with section 3.2 of the Companies Act; or a juristic Person or other undertaking which would have been a Subsidiary company as defined in section 1 of the Companies Act had the juristic Person or other undertaking been a Company; or a juristic Person or other undertaking that would have been a Subsidiary as defined in section 1 of the Companies Act but for the fact that it is incorporated outside of South Africa.

Substantial means a change in or a constituent of a particular factor that may be regarded in the circumstances as being Substantial and that, as a rule of thumb, would normally be equal to or exceed 30%.

Takeover Regulations means the Takeover Regulations established in terms of Section 120 of the Companies Act.

Trading and Verification Services has the meaning ascribed to such term in the EESE Rules.

Trading Day means any Business Day during which trades are executed on the EESE Trading System.

Tribunal means the Companies Tribunal established by section 193 of the Companies Act.

TRP means the Takeover Regulation Panel as established by section 196 of the Companies Act.



2.2 Rules of construction

In the Listing Requirements and accompanying Schedules –

- (a) The division of the Listing Requirements into separate sections, subsections and clauses, the provision of a table of contents and index thereto, and the insertion of headings, indented notes and footnotes are for convenience of reference only and shall not affect the construction or interpretation of Listing Requirements.
- (b) The use of the words **hereof**, **herein**, **hereby**, **hereunder** and similar expressions indicates the whole of the Listing Requirements and not only the particular section in which the expression is used, unless the context clearly indicates otherwise.
- (c) The word **or** is not exclusive and the word **including**, when following any general statement or term, does not limit that general statement or term to the specific matter set forth immediately after the statement or term, whether or not non-limited language (such as **without limitation** or **but not limited to** or similar words) is used.
- (d) Any reference to a statute, unless otherwise specified, is a reference to that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that may be passed which supplements or supersedes that statute or regulation.
- (e) Grammatical variations of any defined term shall have similar meanings; words imputing the masculine gender include the feminine or neuter gender and words in the singular include the plural and vice versa.
- (f) All times mentioned in Listing Requirements shall be local time in Johannesburg, South Africa on the Day concerned, unless the subject matter or context otherwise requires.
- (g) Any reference to currency refers to the lawful money of South Africa (unless expressed to be in some other currency).
- (h) Failure by EESE to exercise any of its rights, powers or remedies under the Listing Requirements or its delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy.
- (i) EESE will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the Person to whom such waiver applies or is Published, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by EESE.
- (j) Terms used but not defined in the Listing Requirements has the meaning ascribed to them in the FMA unless these Listing Requirements provide otherwise.



2.3 Governing principles

The principles which underpin the obligations imposed on listed entities by the Listing Requirements include the following:

- (a) An entity should satisfy appropriate minimum standards of quality, size and operations and disclose sufficient information about itself before it is admitted to the List.
- (b) Sufficient investor interest in an entity's EESE Listed Securities should be demonstrated before those EESE Listed Securities are quoted.
- (c) EESE securities should be issued in circumstances which are fair to new and existing security Shareholders.
- (d) EESE securities should have rights and obligations attaching to them that are fair to new and existing Shareholders of securities.
- (e) Timely disclosure should be made of information which may have a material effect on the price or value of an entity's EESE Listed Securities.
- (f) Information should be produced to high standards and, where appropriate, enable ready comparison with similar information.
- (g) Information should be disclosed to enable investors to assess an entity's corporate governance practices.
- (h) The practices adopted in relation to meetings and other communications with Shareholders should facilitate constructive engagement with Shareholders.
- (i) Certain Significant transactions should require shareholder approval.

In accepting the benefits of access to the EESE market, listed entities and their officers should also recognise that they assume a concomitant responsibility to the market and investors in that market. In addition to complying with their obligations under the Listing Requirements, they are expected to maintain high standards of integrity and accountability.

2.4 Guidance notes

EESE issues guidance notes to promote commercial certainty, reduce costs to business and assist market participants. They set out EESE's general approach to a subject. They should not be regarded as a definitive statement of the application of the rules in every case. Nor are they a substitute for a listed entity obtaining its own legal advice on a matter of concern to it.

2.5 Scope

The primary focus of the EESE Listing regime will be small or medium enterprises, investment entities, entities wishing to impose restrictions on the trading of their EESE Listed Securities and Special Purpose Vehicles which are commonly associated with BBEE transactions.



2.6 EESE discretion

- (a) The Listing Requirements have been formulated to serve as rules to issuers and their Issuer Representatives, who intend applying for the Listing of securities. However, EESE reserves the right to exercise its discretion in applying the Listing Requirements in all respects.
- (b) EESE may waive, postpone compliance with or modify an existing condition or impose additional conditions to a Listing. Any such waiver, postponement, modification or imposition of additional requirements may be general or particular in its application, as determined by EESE, utilising its discretion to the extent EESE considers it necessary or desirable to achieve the objects of the FMA, is justified in furtherance of the objective to encourage participation in the financial markets and/or otherwise in the public interest. EESE will take into consideration facts or circumstances unique to a particular party.

2.7 Appeals of decisions

- (a) An issuer or any Person directly affected by a decision under the Listing Requirements, other than a decision of the FSCA or a decision in relation to which a specific appeals procedure is prescribed in these Listing Requirements, the EESE Rules, the FMA, or any other Applicable Laws), may appeal such decision to the EESE Board in writing within 48 Hours of the relevant decision, giving reasons for such an appeal.
- (b) Upon receipt of an appeal, the EESE Board the EESE Board shall consider the appeal and may first refer the matter to be considered by the EESE Listings Committee and/or EESE Disciplinary Committee, as applicable, for an advisory opinion.
- (c) The EESE Listings Committee shall not have the power to make a final determination of the matter. The final determination will be made by the EESE Board. The EESE Board shall be entitled to reconsider and change the relevant decision under appeal, and such decision of the EESE Board shall, subject to the General Principles, PAJA and the appeal provisions contained in section 105 of the FMA, be final.

3. POWERS OF EESE

3.1 General powers of EESE

- (a) Subject to the provisions of the FMA, EESE has the following powers in terms of the Listing Requirements:
 - (i) to grant, defer, refuse, suspend or remove a Listing of securities;
 - (ii) to prescribe, from time to time, the Listing Requirements with which a New Applicant must comply before securities issued by such New Applicant are granted a Listing;
 - (iii) to prescribe, from time to time, the Listing Requirements with which Applicant issuers must comply;



- (iv) to prescribe, from time to time, the Listing Requirements with which an Applicant issuer's Directors, officers and agents must comply while EESE Listed Securities issued by such Applicant issuer remain listed;
 - (v) to alter, amend or rescind a Listing Requirement prescribed before or after a Listing has been granted and to prescribe additional Listing Requirements from time to time;
 - (vi) to prescribe the circumstances under which a Listing of EESE Listed Securities shall or may be suspended or removed; and
 - (vii) to prescribe, from time to time, the Listing Requirements with which Issuer Representatives or auditors must comply.
- (b) EESE will, in accordance with the requirements of the FMA, inform an issuer of its intention to refuse an application for Admission, provide the grounds for the intended refusal and call upon the issuer to show cause why the application should not be refused within such time period as EESE may specify.
- (c) Listings are granted subject to compliance with the Listing Requirements and New Applicants and their Directors must comply fully with the Listing Requirements.
- (d) In addition, EESE may grant a Listing subject to any additional condition(s) that it considers appropriate, in which event the New Applicant will be informed of, and will be required to comply with, any such condition(s).
- (e) Nothing contained in this section shall limit the powers of EESE or its officers to those contained herein, and EESE or its officers may, at any time, exercise any further powers granted to the EESE or its officers in terms of the FMA. Where EESE exercises discretion in terms of these Listing Requirements, it shall use its sole discretion and, subject to the provisions of paragraphs 3.1(f) and 3.1(g) below, judicial review and the appeal provisions in the FMA, its rulings shall be final.
- (f) If an issuer, Director, Auditor or Issuer Representative, in respect of whom a decision (other than a decision in respect of which a specific appeal or review procedure is prescribed in these Listing Requirements, the EESE Rules of the and the FMA or any replacement legislation) is taken under these Listing Requirements, objects to such decision, such Person must notify EESE in writing within 48 Hours of the decision, giving reasons for such objection.
- (g) In such event EESE shall consider the objection and shall be entitled, in its sole discretion, to consult with members of the EESE Listings Committee. After taking into account the views of those members, EESE shall be entitled to reconsider and change its decision. A decision of EESE made after following this procedure will be final.

3.2 Suspension initiated by EESE

- (a) EESE may, subject to the Section 12 of the FMA, suspend the Listing of EESE Listed Securities of an Applicant issuer and impose such conditions as it may, in the circumstances, deem appropriate for the lifting of such suspension:



- (i) if it will further one or more of the objects contained in Section 2 of the FMA, which may also include if it is in the public interest to do so; or
- (ii) if the Applicant issuer has failed to comply with the Listing Requirements and it is in the public interest to do so.
- (b) When the Listing of EESE Listed Securities of an issuer is under threat of suspension, the affected issuer shall be given the opportunity of making written representations to EESE why the suspension should not be affected prior to EESE making any decision to suspend such Listing.
- (c) If a Listing is suspended and the affected issuer fails to take adequate action to enable EESE to reinstate the Listing within a reasonable period of time, EESE may remove the Listing in accordance with the procedure set out below.

3.3 Suspension at the request of the issuer

- (a) EESE may suspend a Listing of EESE Listed Securities in the following circumstances:
 - (i) where an issuer is placed under provisional liquidation;
 - (ii) where an issuer has adopted a Special Resolution to be wound up voluntarily; or
 - (iii) where an issuer is placed under business rescue proceedings in terms of Chapter 6 of the Companies Act;
 - (iv) where a written request is made by a/the Director(s) of an issuer and it is apparent that there are two levels of information in the market and EESE considers that this situation cannot be remedied by the immediate publication of an Announcement to clarify the situation;
 - (v) where the issuer has ceased to do business;
 - (vi) where CIPC issues a notice to an issuer in terms of sections 22 and/or 23(6) of the Companies Act. The issuer must immediately inform EESE of any such notice issued to the issuer by CIPC; and/or
 - (vii) CIPC deregisters an issuer in terms of Section 82(3) of the Companies Act.

3.4 Continuing obligations of issuers in relation to suspensions

If an issuer's EESE Listed Securities are suspended, it must, unless EESE directs otherwise:

- (a) continue to comply with all the Listing Requirements applicable to it;
- (b) submit a monthly progress report to EESE pertaining to 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; and



- (c) advise the Shareholders of EESE Listed Securities, on a quarterly basis, concerning the current state of affairs of the issuer and any action proposed by the issuer in order to have the Listing reinstated, including the date on which the suspension is expected to be lifted.

3.5 Removal of EESE Listed Securities

(a) Removal initiated by EESE

- (i) EESE may, subject to the Section 12 of the FMA, remove from the List any EESE Listed Securities previously included therein; provided that the Listing of such EESE Listed Securities shall first have been suspended in accordance with the above provision and:
 - (A) if it will further one or more of the objects contained in section 2 of the FMA, which may also include if it is in the public interest to do so; or
 - (B) if the issuer has failed to comply with the Listing Requirements and it is in the public interest to do so.
- (ii) When a Listing of EESE Listed Securities is under threat of removal, the affected issuer shall be given the opportunity of making representations, in writing, to EESE why the removal should not be affected, prior to EESE making any decision to remove such Listing.

(b) Removal at the request of the issuer

- (i) An issuer may make written application to EESE for a removal of any of its EESE Listed Securities from the List, stating from which time and date it wishes the removal to be effective. EESE may grant the request for removal, provided paragraphs 3.5(b)(ii) and 3.5(b)(iii) are properly complied with and perfected.
- (ii) Prior to being able to effect paragraph 3.5(b)(i), an issuer must send a Circular to the Shareholders of its EESE Listed Securities, complying with the requirements of Circulars in these Listing Requirements but also with the following:
 - (A) where the issuer is a listed Company, approval must be obtained from Shareholders in general meeting for the removal of the Listing of its shares prior to the issuer making written application for such removal;
 - (B) the reasons for removal must be clearly stated;
 - (C) an offer (which must be fair in terms of paragraph 3.5(b)(ii)(D)) must be made to all Shareholders of listed EESE Listed Securities with terms and conditions provided in full; and



- (D) a statement must be included by the board of Directors confirming that the offer is fair insofar as the Shareholders (excluding any Related Party/ies if it/they are EESE Listed Securities Shareholders) of the issuer are concerned and that the board of Directors has been so advised by an independent expert acceptable to EESE. The board of Directors must obtain a fairness opinion (which must be included in the Circular) in a form satisfactory to EESE.
- (iii) Shareholder approval for the removal of the Listing need not be sought, and a Circular need not be sent to the Shareholders of EESE Listed Securities where the Listing of such EESE Listed Securities is intended to be removed:
 - (A) following a take-over offer, the EESE Listed Securities have become subject to Section 124 of the Companies Act and notice has been given by the offeror of its intention to cancel the Listing of the EESE Listed Securities (in these circumstances) in the initial offer document or in any subsequent Circular sent to Shareholders of EESE Listed Securities; or
 - (B) following the completion of a scheme of arrangement with Shareholders, in terms of Sections 114 and 115 of the Companies Act, as a result of which either all the shares have been acquired or EESE is satisfied that the issuer no longer qualifies for Listing (EESE must be consulted for a ruling in this regard).
- (c) Redemption either wholly or in part and removal from the List of redeemable preference shares or debentures
 - (i) Written application for the removal of redeemable preference shares or debentures, or the corresponding portion thereof, from the List, as and from the appropriate date, must be made to EESE at least 30 days before the date of redemption and in accordance with the relevant timetable prescribed by EESE and made available on the EESE Website.
 - (ii) The application must be accompanied by a copy of the proposed Announcement and/or Circular to be Published and/or sent to the redeemable preference shareholders or debenture holders, notifying them of the redemption.

3.6 Annual revision of the List

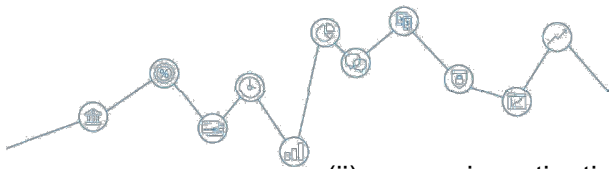
All Listing shall be revised by EESE annually after receipt by EESE of a certificate (Schedule 8) from each Applicant issuer complying with the form prescribed by EESE made available on EESE's website (the **certificate**), which must be submitted to EESE together with the Applicant issuer's annual financial statements. If the certificate is not received by EESE:



- (a) a notification will be sent to the Applicant issuer requesting that it rectify the situation and advising that it has been granted a period of 14 days, from the date of such reminder, in which to provide EESE with the certificate, failing which the Applicant issuer must make written representations to EESE, within 7 days thereafter, as to why the EESE Listed Securities should not be suspended and subsequently removed (in terms of paragraph 3.5(a));
- (b) failing compliance within 14 days of despatch of the reminder to the issuer, the EESE will release an Announcement through EESE Website and the Counter Trading Page, informing Shareholders of EESE Listed Securities that the issuer has not provided EESE with the certificate and cautioning Shareholders that the Listing of the EESE Listed Securities concerned are under threat of suspension and possible removal;
- (c) on the date of release of the Announcement, the Listing of the relevant EESE Listed Securities will be annotated on the EESE trading system with an “**ToS**”, to indicate that it has failed to provide EESE with the certificate timeously; and
- (d) if the certificate is not submitted and the representations received in terms of paragraph 3.6(a) are not satisfactory, the Listing of the relevant EESE Listed Securities will be suspended and the lifting of the suspension will only be effected upon receipt of the certificate by EESE.

3.7 Censures and penalties

- (a) Where EESE or the EESE Disciplinary Committee finds that an Applicant issuer or any of an Applicant issuer’s Director(s) or an Auditor, and/or Issuer Representative as defined, has contravened or failed to adhere to the provisions of the Listing Requirements, EESE or the EESE Disciplinary Committee may, in accordance with the provisions of the FMA and without derogating from its powers of suspension and/or removal:
 - (i) censure the Applicant issuer and/or the Applicant issuer’s Director(s), individually or jointly, by means of private censure;
 - (ii) censure the Applicant issuer and or the Applicant issuer’s Directors, individually or jointly, by means of public censure;
 - (iii) in the instance of either paragraph 3.7(a)(i) or (ii), impose a fine not exceeding such amount as stipulated by the FMA on the Applicant issuer and/or the Applicant issuer’s Director(s), individually or jointly;
 - (iv) Disqualify an Applicant issuer’s Director(s) from holding the office of a Director of a listed Company for any period of time; and/or
 - (v) issue any other penalty that is appropriate in the circumstances.
- (b) In the event that an Applicant issuer or any of an Applicant issuer’s Director(s) contravenes or fails to adhere to the provisions of the Listing Requirements, EESE or the EESE Disciplinary Committee may elect in its discretion, that:
 - (i) full particulars regarding the imposition of a penalty may be Published in the Gazette, national newspapers, the EESE Website or the Counter Trading Page; and/or



- (ii) an investigation or hearing be convened and the Applicant issuer or any of the Applicant issuer's Director(s) pay the costs incurred in relation to such investigation or hearing.
- (c) If any of the parties fails to pay a fine as referred to in paragraph 3.7(a), EESE may, in terms of the provisions of the FMA, 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 shall have all the effects of a civil judgement lawfully given in that court against that Applicant issuer or any of an Applicant issuer's Director(s) in favour of EESE for a liquid debt in the amount specified in that statement.
- (d) Unless EESE or the EESE Disciplinary Committee considers that the maintenance of the smooth operation of the market or the protection of investors otherwise requires, EESE or the EESE Disciplinary Committee will give advance notice to the parties involved of any action that it proposes to take under paragraphs 3.7(a) and 3.7(b), and will provide them with an opportunity to make written representations to EESE or the EESE Disciplinary Committee.
- (e) The whole or any part of the fines issued in terms of paragraph 3.7(a) will be appropriated as follows:
 - (i) the settlement of any costs incurred by EESE in enforcing the provisions of the Listing Requirements; and/or
 - (ii) the settlement of any future costs which may arise through the enforcement of the provisions of the Listing Requirements.

3.8 EESE's power to require information

- (a) EESE may, in accordance with the FMA, require an Applicant issuer to disclose to it, within a period specified by it, such information at the Applicant issuer's disposal as EESE may determine, save to the extent that the issuer has obtained a court order excusing it from such disclosure. EESE may request that a copy of such court order be delivered to it. If EESE is satisfied, after such Applicant issuer has had an opportunity of making representations to it, and that the disclosure of that information to the Shareholders of the securities in question will be in the public interest, it may, by notice in writing, require such Applicant issuer to publicly disclose that information within the period specified in the notice.
- (b) EESE may require an Applicant issuer to provide for the publication or dissemination of any further information not specified in the Listing Requirements, in such form and within such time limits, as it considers appropriate. The Applicant issuer must comply with such requirement and, if it fails to do so, EESE may Publish the information after having heard representations from the Applicant issuer or after having granted the Applicant issuer the opportunity to make such representations.

3.9 Publications by EESE

- (a) Without derogating from any other powers of publication referred to in these Listing Requirements, EESE may, in its absolute discretion and in such manner as it may deem fit, state or announce that it has:
 - (i) investigated dealings in an EESE Listed Security;



- (ii) censured an Applicant issuer;
 - (iii) censured an Applicant issuer's Director(s);
 - (iv) suspended the Listing of any EESE Listed Security;
 - (v) removed the Listing of any EESE Listed Security;
 - (vi) imposed a fine on an Applicant issuer;
 - (vii) imposed a fine on an Applicant issuer's Director(s); and/or
 - (viii) advised that, in its opinion, the retention of office as a Director of any Applicant issuer's Director(s), who shall be named, is prejudicial to the interests of investors.
- (b) In a statement or Announcement referred to in paragraph 3.9(a), EESE or the EESE Disciplinary Committee may give the reasons for such investigation, censure, suspension, removal or fine as the case may be and, in the case of an investigation, so much of EESE's or EESE Disciplinary Committee's conclusion or findings as it may, in its absolute discretion, deem necessary.
- (c) No Applicant issuer or its Directors, officers or Shareholders of EESE Listed Securities, including an Auditor, Issuer Representative and/or EESE CSD shall have any cause of action against EESE, or against any Person employed by EESE, for damages arising out of any statement or Announcement made in terms of paragraph 3.9(a), unless such publication was made either grossly negligently or with wilful intent.

4. PROCESS FOR APPLICATIONS

4.1 Introduction

- (a) This section sets out the process that must be followed by an Applicant issuer when applying for a Listing on EESE. This process consists of two phases:
- (i) The pre-Listing application process; and
 - (ii) The Listing application process.
- (b) Each of the abovementioned processes is described in more detail below

4.2 Prelisting application process

- (a) The following information is required to be submitted by an Applicant issuer to EESE to consider the Applicant's suitability for Listing:
- (i) a Prelisting Application Form;
 - (ii) a detailed business plan (including but not limited to historic and forecast financial information) to the EESE Listings Committee;
 - (iii) sufficient information and supporting documentation to illustrate it and its securities comply with all of the applicable conditions set out in section 5 below; and



- (iv) any additional information, documents or agreements requested by EESE.
- (b) Upon receipt and consideration of the documentation referred to in paragraph 4.2(a) above, the EESE Listings Committee shall advise EESE as to the eligibility of the issuer.
- (c) EESE shall consider the EESE Listings Committee's advice and exercise its discretion as to whether or not to grant the issuer permission to proceed with the Listing application process referred to in paragraph 4.3 below.
- (d) If the issuer is granted approval by EESE, the Listing application process will commence.

4.3 Listing application process

- (a) This phase consists of submitting the required documentation to satisfy EESE Listing Committee and EESE that the issuer and its securities may be granted a Listing.
- (b) Every issuer wishing to apply or qualify for Listing of its securities in terms of the Listing application process must:
 - (i) file with EESE the documents set out in Schedule 2 hereto, based on the type of securities to be listed;
 - (ii) enter into a Listing Agreement hereto;
 - (iii) pay to EESE the relevant Listing fees, based on the type of securities to be listed, in accordance with the amounts and the payment schedule (namely Schedule 3) prescribed by EESE from time to time, as well as any applicable taxes. (For avoidance of doubt, the Listing of the issuer's securities will not be effected until the relevant Listing fees have been paid to EESE.); and
 - (iv) submit any additional information, documents or agreements requested by EESE.

4.4 EESE's discretion

- (a) EESE takes into account the particular circumstances of each Applicant.
- (b) EESE may grant or refuse Admission even though not all the requirements have been met.
- (c) EESE may copy information and documents lodged in support of an application to EESE.
- (d) Information and documents given to EESE in support of an application become EESE's property and may be made public.



5. CONDITIONS AND ELIGIBILITY REQUIREMENTS FOR LISTING

5.1 Introduction

This section sets out the conditions that must be satisfied by:

- (a) an Applicant issuer applying for Admission to the List; and
- (b) the Equity Securities an Applicant issuer wishes to List (if any).

5.2 General eligibility requirements for issuers

An Applicant issuer wishing to apply for a Listing on EESE must comply (and after the Listing has been granted, must continue to comply) with the following requirements:

(a) General

- (i) The Applicant issuer must have at least R3,000,000 in Net Tangible Assets.
- (ii) The Applicant issuer must appoint an Issuer Representative and ensure that it has an Issuer Representative at all times. The terms of the appointment of the Issuer Representative must be in accordance with paragraph 7.6.
- (iii) In the case of an issuer that is a public Company the Applicant issuer must appoint an executive financial Director and the audit committee of the Applicant issuer must be satisfied (and submit confirmation in writing to the EESE) that the financial Director has the appropriate expertise and experience to fulfil his role.
- (iv) In the case of an Applicant issuer that is a private Company:
 - (A) the Applicant issuer must include evidence in form and substance satisfactory to EESE in its Issuer Rules and Memorandum of Incorporation furnished to the EESE in terms of these Listing Requirements that:
 - I. the issuer's securities are not Freely Tradable; and
 - II. no offer or trading of the issuer's EESE Listed Securities will constitute an offer to the public, as defined in the Companies Act,

and EESE shall be entitled, in its sole discretion, to request the Applicant issuer to submit a legal opinion, in form and substance satisfactory to EESE, confirming that the Listing of the Applicant issuer's securities on the terms contained in the Issuer Rules does not necessitate the conversion of the Applicant issuer to a public Company in terms of the Companies Act;

- (B) the issuer Applicant must have suitable financial expertise to satisfy the EESE Listings Committee that the issuer is appropriately financially managed.



- (v) the Applicant issuer must produce a profit forecast for the remainder of the financial year during which it will List and for two full financial years thereafter, unless the Applicant provides historical financial information for the preceding three financial years.
 - (vi) EESE will not approve an issuer for Listing if any Related Party, associated with the issuer has been convicted of fraud, breach of a fiduciary duty, contraventions of Applicable Laws within the past five years (other than a minor breach that does not necessarily give rise to investor protection or market integrity concerns) or any other activity that concerns integrity of conduct unless the issuer first severs relations with such Person(s) to EESE's satisfaction.
 - (vii) EESE may elect to not approve an issuer for Listing if any Related Parties or Issuer Representative associated with the issuer have entered into a settlement agreement with the FSCA or other Regulatory Bodies.
- (b) Capital structure
- An issuer's capital structure must be acceptable to EESE.
- (c) Pricing
- The issuer may not List securities at less than R 1.00 per security on the date of Listing.
- (d) Corporate Governance
- (i) The Applicant must be duly incorporated or otherwise duly established under the Applicable Laws of the country of its incorporation or establishment, and must be operating in conformity with its Memorandum of Incorporation or, in the case of a foreign company, its relevant constitutional documents and all Applicable Laws of its country of incorporation or establishment and the Companies Act, to the extent applicable.
 - (ii) An Applicant seeking a Listing on EESE must conclude a Listing Agreement, in terms of which it undertakes that from the date of Admission to Listing of any of its securities it will comply fully with all the Listing Requirements.
 - (iii) An Applicant issuer must comply with all Applicable Laws of its country of incorporation or establishment in the normal course of its business activities.
- (e) Directors
- (i) The Applicant issuer must have a minimum:
 - (A) of two Directors, if it is a private Company; or
 - (B) of three Directors if it is a public Company; or
 - (C) of such greater number as may be required in relation to a specified Applicant issuer pursuant to any Applicable Laws.



(ii) Directors of issuer Applicants must satisfy all of the requirements set out in the Companies Act.

(f) Publication

An issuer must have a website (namely the Issuer Website).

5.3 Restricted Securities

- (a) An Applicant issuer must prepare Issuer Rules applicable to any Restricted Securities it wishes to List.
- (b) A copy of the Issuer Rules must be furnished to EESE along with the Applicant issuer's Listing application together with a description of whether EESE or a verification agent (who must be identified) will be required to verify whether or not a purchaser/subscriber of the Restricted Securities complies with the Issuer Rules for the Restricted Securities
- (c) EESE may in its sole discretion require an Applicant issuer to make any necessary amendments to its Issuer Rules, as EESE in its sole discretion deems fit in order to comply with these Listing Requirements and Applicable Laws.
- (d) Any Issuer Rules agreed to between EESE and an Applicant issuer must be included in that Applicant issuer's Listing Agreement prior to any Listing for the Restricted Securities being granted.
- (e) In the event that EESE is required to verify any Issuer Rules in respect of any party seeking to subscribe for/purchase Restricted Securities, and the verification of such prescribed rule require additional IT development, the cost of this development will be levied to the Applicant issuer.
- (f) An Applicant issuer's Issuer Rules may prescribe, but are not limited, to the following:
- (i) who may own the Restricted Securities;
 - (ii) vesting periods;
 - (iii) percentage ownership thresholds; and
 - (iv) specifications pertaining to which EESE Authorised User(s) may trade the Restricted Securities.
- (g) Once any Issuer Rules have been approved by EESE, the Applicant issuer must Publish the Issuer Rules on its Issuer Website and request that EESE Publish the Issuer Rules on both the EESE Website and the applicable Counter Trading Page.
- (h) Once Issuer Rules have been approved by EESE, no amendments may be made to the Issuer Rules for any class of Restricted Securities without the prior written consent of EESE. Any amendments to the Issuer Rules after their approval will need to be Published in the manner stipulated in paragraph 5.3(g) above.



5.4 Limited liability

All EESE Listed Securities must be fully paid up.

5.5 Ongoing obligations for Listing

To continue to qualify for Listing, an issuer must satisfy EESE, that it continues to comply with all of the following obligations:

- (a) the issuer must be in good standing under and not be in default of the Companies Act or FMA;
- (b) the issuer must comply with all Listing Requirements, and the terms of the Listing Agreement at all times;
- (c) the issuer must Publish all required documents and information required in accordance with the Listing Requirements;
- (d) the issuer must concurrently Publish all public documents submitted to CIPC;
- (e) if the issuer is required to submit Personal Information Forms for each Related Party at the time of Listing then the issuer must submit a Personal Information Form for any new Related Party of the issuer (and if any of these Persons is not an individual, a Personal Information Form for each Director, officer and each Person who beneficially, directly or indirectly owns, controls or exercises direction over 10% or more of the voting rights of such non-individual); and
- (f) the issuer must take all reasonable care to ensure that any statement, document or other information which is provided to or made available to EESE or Published by the issuer is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.

5.6 Foreign Issuers

- (a) An Applicant issuer that is a foreign company must comply in full with the Listing Requirements, with such changes as may be required having regard to the Applicable Laws of the jurisdiction in which it is incorporated or established, unless otherwise stated in the Listing Requirements or agreed by EESE.
- (b) Each foreign company must, together with its Pre-listing Application Form, provide the following details:
 - (i) Confirmation that the Equity Securities for which Listing is sought are not currently listed on any other exchange;
 - (ii) confirmation that the Listing will be the sole listing of the relevant Equity Securities;
 - (iii) any of the Listing Requirements that the Applicant issuer may not be able to comply with and/or is not required to comply with in accordance with the Applicable Laws of its jurisdiction of incorporation, or in terms of the rules of any other exchange;



- (iv) whether any dispensation is sought from compliance with the relevant Listing Requirements, including, but not limited to, any continuing obligations, together with the relevant motivation for such dispensation; and
- (v) any additional information requested by EESE.

6. BRINGING SECURITIES TO LISTING

6.1 General

- (a) A new Applicant issuer may bring securities to Listing by way of an Introductory Offer, an offer to the public or a Private Placement.
- (b) An Applicant issuer with EESE Listed Securities may bring securities, whether or not of a class of EESE Listed Securities by way of a Rights Offer or an issue for cash.
- (c) Issuers must comply with the requirements of this section for any distribution of EESE Listed Securities. The specific requirements that apply depend on the nature of the agreement giving rise to the distribution.
- (d) Timely disclosure recognises that restricted circumstances may exist where an issuer may keep Material Information confidential for a limited period of time if premature disclosure would be unduly detrimental to the Company.
- (e) Distributions that result in or could result in a change of business or a change of control may be subject to the additional requirements of section 8.2. Non-arm's length distributions may be subject to the requirements of the FMA and/or the Companies Act in addition to the requirements of this section.
- (f) In addition to the requirements of this section, issuers must comply with all Applicable Laws for any distribution of EESE Listed Securities.

6.2 Private placements

- (a) An issuer that has agreed to do a Private Placement must immediately Publish notice of the proposed Private Placement (Schedule 9) in the form prescribed by EESE made available on EESE's website.
- (b) At least one full Business Day prior to closing of the proposed Private Placement the issuer must Publish a notice of the proposed Private Placement in the form prescribed by EESE made available on EESE's website in the manner set out in paragraph 6.2(a) above, if applicable.
- (c) Upon closing of the offer, the issuer must Publish the following documents:
 - (i) a letter from the issuer confirming receipt of proceeds; and
 - (ii) an executed Certificate of Compliance from the issuer that it has complied with and is in compliance with South African securities laws and the Listing Requirements.



6.3 Offers to the public

- (a) An issuer proposing to issue EESE Listed Securities to the public pursuant to a Prospectus must disseminate a press release and file notice of the proposed offering (Schedule 10) in the form prescribed by EESE and made available on the EESE Website immediately upon filing the Prospectus.
- (b) The issuer must Publish all documents submitted with their filing at CIPC:
 - (i) a copy of the preliminary Prospectus;
 - (ii) a copy of the receipt for the preliminary Prospectus issued by CIPC;
 - (iii) a copy of the final Prospectus; and
 - (iv) a copy of the receipt for the final Prospectus issued by CIPC. The issuer may Publish any other information or documentation relating to the proposed Prospectus offering otherwise in compliance with South African Securities Regulation that the issuer considers relevant or of interest to investors.
- (c) Prior to closing of the Prospectus offering and the issuance of any EESE Listed Securities pursuant thereto the issuer must Publish the following documents:
 - (i) an amended notice of the proposed offering in the form prescribed by EESE made available on EESE's website, if applicable;
 - (ii) a copy of the final Listing Circular (if not already Published);
 - (iii) a copy of the receipt for the final Prospectus issued by CIPC (if not already Published); and
 - (iv) an executed Certificate of Compliance from the issuer that it has complied with and is in compliance with South African securities law and the Listing Requirements.

6.4 Introductory offers

An issuer proposing to issue EESE Listed Securities as an Introductory Offer, pursuant to a Listing Circular must disseminate a press release and file notice of the proposed offering to EESE and Publish the following documents in the following manner:

- (a) comply with the conditions and eligibility requirements for Listing as stipulated in section 5; and
- (b) all documentation that may be required in terms of the form prescribed by EESE (Schedule 10) and made available on the EESE Website.

6.5 Rights offers

- (a) An issuer completing a Rights Offer must do the following before the Record Date (the Record Date being the date of closing of the transfer books for preparation of the final List of Shareholders who are entitled to receive rights):



- (i) clearances for the Rights Offer must be obtained from EESE;
 - (ii) all the terms of the Rights Offer must be finalised;
 - (iii) the issuer must Publish (in addition to any other documents that may be required by South African Securities Regulations and other Applicable Laws) a written statement the form prescribed by EESE (Schedule 10) and made available on the EESE Website as to, inter alia, the date on which it is intended that the Rights Offering Circular and rights will be allocated to the Shareholders (which should be as soon as possible after the Record Date).
- (b) Rights are listed on the EESE Trading System on the second Trading Day preceding the Record Date. At the same time, the shares of the issuer commence trading on an ex-rights basis, which means that purchasers of the issuer's EESE Listed Securities are not entitled to receive the rights.
- (c) Rights must be transferable subject to any applicable Issuer Rules.
- (d) Once the rights have been listed on the EESE Trading System, the essential terms of the Rights Offer, such as the exercise price or the expiry date, may not be amended.
- (e) The Rights Offering must be unconditional.
- (f) As soon as possible after the expiry of the Rights Offer the issuer must do the following:
- (i) Publish a notice stating the number of EESE Listed Securities issued as a result of the Rights Offering, including EESE Listed Securities issued pursuant to any underwriting or similar arrangement; and
 - (ii) disseminate an Announcement setting out the results of the Rights Offer and confirming the closing of the offer.

6.6 Issues for cash

- (a) Description
- (i) An issue for cash is an issue of Equity Securities for cash (or the extinction of a liability, obligation or commitment, restraint, or settlement of expenses):
 - (A) on terms that are specifically approved by equity securities Shareholders by special resolution in general meeting in respect of that particular issue (a **specific issue for cash**); or



- (B) on terms generally approved by securities Shareholders in general/annual general meeting by special resolution by granting the board of Directors of the issuer the authority to issue a specified number of securities for cash, at a specified discount (which may be limited or unlimited), which authority will be valid until the issuer's next annual general meeting or for 15 months from the date on which the general issue for cash ordinary resolution was passed, whichever period is shorter, subject to the requirements of the EESE and to any other restrictions set out in the authority (a **general issue for cash**).

(b) Requirements for issues for cash

- (i) An Applicant that is a public Company may only undertake an issue for cash, in accordance with the terms of the relevant authorising Special Resolution, a copy of which must be submitted to EESE, subject to satisfactory compliance with the following requirements:
 - (A) the Equity Securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such Equity Securities or rights that are convertible into a class already in issue;
 - (B) the number or maximum number of Equity Securities to be issued must be disclosed;
 - (C) if the discount at which the Equity Securities are to be issued is not limited, this fact must be disclosed;
 - (D) if the discount at which the securities are to be issued is limited, such limit must be disclosed.
- (ii) An Applicant that is a private Company may not undertake an issue for cash.

6.7 Affected transactions

Where any issue for cash constitutes an **affected transaction** as defined in the Takeover Regulations and the Companies Act such affected transaction must be reported to the TRP by the issuer in accordance with the Takeover Regulations.

6.8 Transfer and registration of EESE Listed Securities

The issuer must appoint a transfer secretary approved by the EESE CSD.

- (a) The issuer must appoint a transfer secretary approved by the EESE CSD.
- (b) Shareholders are prohibited from transferring any Certificated Securities of the same class as EESE Listed Securities through the use of physical share certificates unless pursuant to:
 - (i) an order of court; or
 - (ii) the death of a holder.



- (c) Certificates must bear a unique share certificate number, as well as the issuer's investor number.
- (d) All Certificated Securities will be maintained by the transfer secretary.
- (e) All certificates must conform to the requirements of all Applicable Laws.
- (f) Upon the issuer Listing on EESE, its securities will be categorized as either being immobilised or uncertificated. Uncertificated Equity Securities will trade on EESE.
- (g) The foregoing requirements, do not apply to a completely uncertificated issue that complies with the requirements of EESE.
- (h) Only uncertificated Equity Securities will be eligible to trade on EESE.
- (i) The transfer of uncertificated EESE Listed Securities will be effected in accordance with the provisions of the FMA, Applicable Laws and the rules of the EESE CSD.

7. CORPORATE GOVERNANCE

7.1 Introduction

- (a) No single governance structure fits all prospective issuers, and there is considerable diversity in organisational structures. Each issuer should develop a governance structure that is appropriate to its nature and circumstances. However, all issuers must endeavour to apply the King Code of governance to the appropriate degree.
- (b) Issuers must disclose the extent of compliance with the King Code in a corporate governance statement which they must deliver to EESE annually together with their financial statements, which should include the following:
 - (i) a narrative statement of how it has applied the principles set out in Chapter 2, Board and Directors (Role and Function of the Board) of the King Code, providing an explanation that enables its Shareholders to evaluate how the principles have been applied; and
 - (ii) a statement addressing the extent of its application of the principles set out in Chapter 2 of the King Code and the reasons for each and every instance of non-compliance during the accounting period.

7.2 Directors and officers

- (a) The identity, history and experience of management, including officers and Directors, is important information concerning an issuer.
- (b) Every executive officer and Director of an issuer is required to complete a Personal Information Form (Schedule 6) in the form prescribed by EESE made available on EESE's website hereto upon their appointment or election as an officer or Director of an issuer.



- (c) The Personal Information Form together with a detailed CV containing information about the Directors and officers of an issuer must be submitted to EESE together with the application for Listing of its securities. An issuer must remove, or cause the resignation of, any Director or officer which EESE determines is not suitable for the purpose of acting as a Director or officer of an issuer, in accordance with the provisions of the Companies Act, failing which EESE may immediately Disqualify Listing of the issuer's EESE Listed Securities.

7.3 Changes to Directors

- (a) An issuer, through its Issuer Representative, must notify EESE of any change to the board of Directors, Issuer Representative, the Person responsible for the financial reporting of the issuer or company secretary including:
 - (i) the appointment of a new Director or company secretary, Issuer Representative or the Person responsible for the financial reporting of the issuer;
 - (ii) the resignation, removal, retirement or death of a Director or of the company secretary, Issuer Representative or the Person responsible for the financial reporting of the issuer; and/or
 - (iii) changes to any important functions or executive responsibilities of a Director,

without delay and no later than by the end of the Business Day following the decision or receipt of notice detailing the change. Such changes must be announced as soon as practically possible and also included in the issuer's next publication of Listing particulars, interim report or annual financial statements. Where a Director retires and is re-appointed at an annual or other general meeting, no notification is required as this does not result in a change to the board of Directors.

- (b) All Directors of issuers are bound by and must comply with the Listing Requirements, as amended from time to time, in their capacities as Directors and in their Personal capacities.

7.4 Dealing in EESE Listed Securities

- (a) An issuer, must via its Issuer Representative, announce the following information:
 - (i) details of all transactions (whether over the counter or otherwise) in EESE Listed Securities relating to the issuer by or on behalf of:
 - (A) a Director, company secretary and Issuer Representative (held beneficially, whether directly or indirectly) of the issuer;
 - (B) a Director, company secretary and Issuer Representative (held beneficially whether directly or indirectly) of a major Subsidiary company of the issuer; or
 - (C) any Associate of 7.4(a)(i)(A) or (B) above



- (D) a Director, company secretary and Issuer Representative (held beneficially whether directly or indirectly) of any Company in which the issuer is invested;
- (ii) such Announcement shall contain the following information:
 - (A) the name of the Director/company secretary/Issuer Representative;
 - (B) the name of the Company of which he is a Director/company secretary/Issuer Representative;
 - (C) the date on which the transaction was effected;
 - (D) the nature of the transaction
 - (E) the nature and extent of the Director/company secretary/Issuer Representative's interest in the transaction;
 - (F) the price, number, total value and class of EESE Listed Securities concerned;
 - (G) confirmation as to whether the trades were done on-market or off-market; and
 - (H) whether clearance has been given by the board of the issuer.
 - (iii) Any Director who deals in EESE Listed Securities relating to the issuer is required to disclose the information required by paragraph 7.4(a)(ii) to the issuer without delay and, in any event, by no later than three Business Days after dealing. The issuer must in turn announce such information without delay and, in any event, by no later than 24 Hours after receipt of such information from the Director concerned.

7.5 Closed periods

- (a) A Director may not deal in any EESE Listed Securities relating to the issuer:
 - (i) during a Closed Period as defined; and
 - (ii) at any time when he is in possession of unpublished Price Sensitive Information in relation to those EESE Listed Securities or otherwise where clearance to deal is not given in terms of section 7.4(a)(ii)(H).
- (b) EESE may waive compliance with paragraph 7.5(a) in situations where the Director has no discretion in the transaction. EESE must be consulted for a ruling in these cases and if a waiver is granted the Announcement must clearly explain the reasons why the Director had no discretion to deal.

7.6 Issuer representative (IR)

- (a) Role

The role of an IR is to serve as a single point of contact for the issuer with EESE relating to all Listing matters in respect of the issuer.



(b) Appointment

- (i) A new Applicant seeking a Listing of securities on EESE must appoint an IR in terms of a written contract and must ensure that it has an IR at all times.
- (ii) The IR must comply with, and is subject to, all the provisions of the Listing Requirements.
- (iii) The IR must be a member of a Professional Body appearing on the list of acceptable Professional Bodies Published by EESE on the EESE Website from time to time.

(c) Responsibilities

- (i) The IR's role is of particular importance to the successful operation of EESE, since each issuer must, with the guidance and assistance of the IR, comply with and discharge its responsibilities under the Listing Requirements. In this regard, the IR is expected to advise the issuer on all of the issuer's responsibilities in a competent, professional and impartial manner.
- (ii) The IR must immediately inform EESE, in writing, if the issuer does not comply with any applicable law.
- (iii) The IR must, prior to Listing, ensure that:
 - (A) all the documents required by the Listing Requirements have been so submitted;
 - (B) the New Applicant complies with all of the conditions for Listing set out in the Listing Requirements;
 - (C) any Listing Circular, Prospectus or similar document required to be Published by the issuer is in compliance with the Listing Requirements and that:
 - I. the information contained in such document is accurate and complete in all material respects and not false or misleading;
 - II. there are no other matters, the omission of which would make any statement in such document false or misleading;
 - III. statements of fact and opinion expressed by the Directors in such document have been arrived at after due and careful consideration on the part of the Directors and are founded on bases and assumptions that are fair;
 - (D) the IR (or other adviser(s) acceptable to the IR) has explained to the Directors of the New Applicant the nature of their responsibilities under the Listing Requirements, the FMA, the Companies Act, the Takeover Regulations and IFRS (**applicable regulation**);



- (iv) The IR must take all reasonable steps to brief all new appointees to the board of Directors of the issuer as to the nature of their responsibilities under the Listing Requirements, other applicable regulations and the general nature of their obligations in relation to Shareholders. The IR must also ensure that:
 - (A) the Directors of the New Applicant have completed the Personal Information Form prior to Listing;
 - (B) all new appointees complete the Personal Information Form within one month of appointment as Directors.
 - (v) The Directors of the issuer must be informed by the IR (or other advisers acceptable to the IR), on a timely basis, of any amendment or supplement to the Listing Requirements, or other applicable regulation.
 - (vi) The IR shall, prior to publication, review with the issuer all periodic financial information, Announcements and other documentation detailed with a view to ensuring that the Directors of the issuer, after due and careful consideration, understand the importance of accurately disclosing all Material Information to Shareholders and the market.
 - (vii) The IR must regularly review the issuer's actual trading performance and financial condition in order to ensure that appropriate disclosure is made timeously.
 - (viii) The IR must attend all meetings of the issuer's board of Directors meetings, in an advisory capacity, to ensure that all Listing Requirements and applicable regulations are complied with.
- (d) Censure and removal of the IR
- (i) If EESE determines, after taking account of written representations, that an IR has breached any of its responsibilities under the Listing Requirements, then EESE is entitled to take any one or more of the following actions:
 - (A) censure the IR with the relevant Professional Body; and/or
 - (B) require the Issuer to remove the IR and replace the IR with a new IR in the manner prescribed in section 7.6(b) above.

8. CORPORATE TRANSACTIONS

8.1 Significant transactions and Corporate Actions

- (a) EESE defines the term **Corporate Actions** as any internal Corporate Action that initiates Material Information concerning the issuer. This includes, but is not limited to, material Corporate Actions regarding an issuer's products or the creation of a new product.
- (b) Corporate action may also include Corporate Action relating to an agreement such as the issuer completing or failing to complete a milestone provided for in an agreement or breaching the terms of an agreement.



- (c) If the Significant transaction constitutes Material Information relating to the issuer, the issuer must Publish an Announcement in which the issuer must include updated information relating to Significant transactions.
- (d) Significant transactions that result in a change of business may be subject to the additional requirements of section 8.2.
- (e) Non-arm's length Significant transactions may be subject to the requirements of the FMA and/or the Companies Act in addition to the requirements of this section.
- (f) In the case of an acquisition, management of the issuer is responsible for ensuring that the consideration paid for the asset is reasonable and must retain adequate evidence of value received for consideration paid such as confirmation of out-of-pocket costs or replacement costs, fairness opinions, geological reports, financial statements or valuations. The evidence of value must be made available to EESE upon request.
- (g) Issuers involved in a Significant transaction or Corporate Action must immediately Publish notice of the proposed Significant transaction or Corporate Action in the form prescribed by EESE (Schedule 11) made available on EESE's website hereto concurrently or as soon as practicable following the issuance of a news/press release announcing the Significant transaction or Corporate Action (if the Significant transaction constitutes Material Information concerning the issuer) or upon the issuer agreeing to the Significant transaction (in all other cases);
- (h) At least one full Business Day prior to the closing of a proposed Significant transaction the issuer must Publish an initial or amended notice of the proposed Significant transaction or Corporate Action in the form prescribed by EESE made available on EESE's website, if applicable.
- (i) Forthwith upon closing of a Significant transaction, the issuer must:
 - (i) Publish a notice confirming receipt of proceeds or payment of consideration provided for in the agreement(s) relating to the Significant transaction (or describing the receipt or payment schedule); and
 - (ii) a certified Certificate of Compliance from the issuer that it has complied and is in compliance with Securities Regulation.

8.2 Fundamental changes

- (a) A **fundamental change** is a major acquisition accompanied or preceded by a change of control.
- (b) A **major acquisition** by an issuer means an asset purchase (whether for cash or securities), take-over (formal bid or exempt bid), amalgamation, arrangement or other form of merger, the result of which is that for the next 12-month period at least 75% of the issuer's:
 - (i) assets will be comprised of; or



- (ii) anticipated revenues are expected to be derived from the assets, properties, businesses or other interests that are the subject of the major acquisition.
- (c) **A change of control** is a transaction or series of transactions involving the issue or potential issue of that number of securities of an issuer that:
 - (i) is equal to or greater than 100% of the number of Equity Securities of the issuer outstanding prior to the transaction or series of transactions (commonly referred to as a reverse take-over); or
 - (ii) otherwise results in a change of control of the issuer or a Substantial change of management or of the board of Directors of the issuer.
- (d) EESE may in its sole discretion determine that a transaction or series of transactions is a fundamental change, notwithstanding these thresholds. In broad terms, a fundamental change to an issuer effectively results in a new issuer, such that the existing disclosure record cannot be relied upon to fairly value the Company's securities.
- (e) Issuers that are contemplating a transaction or series of transactions that may be a fundamental change must consult with EESE at an early stage to determine how EESE will characterise the transaction.
- (f) Adequate disclosure sufficient to permit trading to occur on the basis of information adequate for investors to make informed investment decisions must be prepared and disseminated by the issuer and provided in an information Circular or management proxy Circular and Listing Circular.
- (g) Enhanced disclosure should be made in connection with the announcement of a fundamental change. The disclosure should initially be made in an Announcement.
- (h) EESE will suspend trading in the EESE Listed Securities of the issuer upon the Announcement of a fundamental change to permit dissemination of the Material Information. EESE will enforce the suspension at least until the documentation required has been accepted and Published. During the suspension, no EESE Authorised User may trade in the security in any market either as principal or agent.
- (i) All fundamental changes must be approved by the security Shareholders of the issuer at a meeting prior to completion of the transaction.
- (j) The information Circular or management proxy Circular delivered to security Shareholders of the issuer must contain Listing Circular level disclosure of the resulting Company, including the financial statement disclosure set out in the FMA and/or Companies Act.
- (k) The information Circular or management proxy Circular must provide historical financial statements for the target Company as if it were going public by way of Listing Circular and making application for Listing to EESE, plus pro forma financial statements giving effect to the transaction for the last full fiscal year of the target Company and any half year that has been completed in the current fiscal year. The information Circular or must be Published by the issuer.



- (l) The issuer must meet the criteria for Listing notwithstanding the effects of the fundamental change and make a full application to qualify its securities for Listing on EESE Trading System by preparing and filing all of the documents and following the procedures set out in section 5, concurrently with filing the information Circular.
- (m) Completion of the transaction prior to qualification for Listing of the securities of the issuer resulting from the transaction will result in a suspension from Listing of the issuer.

8.3 Related party transactions

(a) Scope of Section

- (i) This section provides certain safeguards against those Shareholders, Directors and/or other Persons related to an issuer taking advantage of their position. Transactions with parties related to an issuer are known as Related Party transactions.
- (ii) Where any transaction is proposed between an issuer, or any of its subsidiaries, and a Related Party, a Circular to Shareholders and the approval of Shareholders of the issuer in general meeting will be required.

(b) Definitions

For the purposes of this section, the following definitions apply:

- (i) a **Related Party transaction** means a transaction, as contemplated or any variation or novation of an existing agreement, between an issuer, or any of its subsidiaries, and a Related Party;
- (ii) **Related Party** means:
 - (A) a material shareholder;
 - (B) any Person that is, or within the 12 months preceding the date of the transaction was, a Director of the issuer or its Holding Company. For the purpose of this definition, a Director includes a Person that is, or within the 12 months preceding the date of the transaction was, not a Director, but in accordance with whose directions or instructions the Directors are or were accustomed to act;
 - (C) any Issuer Representative to the issuer that has, or within the 12 months preceding the date of the transaction had, a beneficial interest, whether direct or indirect, in the listed Company or any of its Associates; and
 - (D) any Person that is, or within the 12 months preceding the date of the transaction was, a principal executive officer of the issuer, by whatever position he may be, or may have been, designated and whether or not he is, or was, a Director.



(c) Consultation with EESE

When an issuer is contemplating a transaction, which will result in:

- (i) any unusual, vested or other interest(s) or rights being created for any of the parties in paragraph 8.3(b) above; or
- (ii) a change in ownership of the issuer,

the issuer must discuss the transaction with EESE at an early stage in order for EESE to determine whether it will exercise its discretion and classify the transaction as a Related Party transaction and any parties as related parties in terms of the transaction concerned.

(d) Usual requirements for a Related Party transaction

- (i) If an issuer, or any of its subsidiaries, proposes to enter into a Related Party transaction or, if EESE determines that a transaction is a Related Party transaction, the issuer must:
 - (A) make an Announcement within 24 Hours of the terms of the transaction being agreed with the Related Party, containing particulars of the transaction, including the names or details of:
 - I. if an acquisition, the vendors;
 - II. if a disposal, the purchasers;
 - III. the effective date;
 - IV. the conditions precedent;
 - V. any other Significant terms of the agreement
 - VI. a description of the business carried on by the subject of the transaction;
 - VII. a description of the assets which are the subject of the transaction, or the business carried on by, or using, the assets;
 - VIII. the profits attributable to those assets;
 - IX. the value of those assets if different from the consideration;
 - X. the full consideration and how it is being satisfied;
 - XI. the effect on the Company;
 - XII. details of the service contracts of any proposed Directors;
 - XIII. in the case of a disposal, the application of the sale proceeds;



- XIV. in the case of a disposal, if shares or other EESE securities are to form part of the consideration received, a statement whether such EESE securities are to be sold or retained;
 - XV. any other information necessary to enable investors to evaluate the effect of the transaction upon the Company;
 - XVI. the name of the Related Party concerned;
 - XVII. details of the nature and extent of the interest of the Related Party in the transaction;
 - XVIII. the consideration, and how it was/is to be satisfied, including the terms of any arrangements for deferred consideration; and
 - XIX. a statement that, with the exception of any Director who is involved in the transaction as a Related Party, its Directors consider that the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned and that the board of Directors has been so advised by an independent expert acceptable to EESE.
- (B) furnish the agreement to EESE;
 - (C) send a Circular to its Shareholders containing the information required by paragraph 8.3(d)(i)(A);
 - (D) obtain the approval, by resolution, of its Shareholders either prior to the transaction being entered into or, if it is expressed to be conditional on such approval, prior to completion of the transaction; and
 - (E) include in the ordinary resolution to approve or give effect to the transaction, a condition that the validity, for the purposes of the Listing Requirements, of the resolution will be subject to a simple majority of the votes of Shareholders, other than the Related Party and its Associates, being cast in favour of the resolution.

8.4 Reverse take-overs

- (a) A reverse takeover is any acquisition or acquisitions in a twelve month period which for the issuer would:
 - (i) exceed 100% of the Company's market capitalisation; or
 - (ii) result in a fundamental change in its business.
- (b) Any agreement which would effect a reverse takeover must be:
 - (i) conditional on the consent of its Shareholders being given in general meeting;



- (ii) notified within 24 Hours disclosing the information specified by paragraph 8.3(d)(i)(A)I to 8.3(d)(i)(A)XV and
 - (iii) insofar as it is with a Related Party, the additional information required by paragraph 8.3(d); and
 - (iv) accompanied by the publication of an Admission document in respect of the proposed enlarged entity and convening the general meeting.
- (c) Where shareholder approval is given for the reverse takeover, trading in the EESE Listed Securities of the issuer Company will be cancelled. If the enlarged entity seeks Admission, it must make an application in the same manner as any other Applicant applying for Admission of its securities for the first time.

8.5 Aggregation of transactions

Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether paragraphs 8.1 to 8.4 apply where:

- (a) they are entered into by the Company with the same Person or Persons or their families;
- (b) they involve the acquisition or disposal of securities or an interest in one particular business; or
- (c) together they lead to a principal involvement in any business activity or activities which did not previously form a part of the Company's principal activities.

9. CORPORATE ACTIONS, NAME CHANGE, SHARE SPLITS AND SHARE CONSOLIDATIONS

9.1 General

The following principles apply to all Corporate Actions by an issuer to Shareholders:

- (a) on declaration date (“**DD**”) an Announcement must be Published including the declaration data. The declaration date must be on or before the date of issue/posting of any Circular and/or other documents and must be at least fifteen Business Days before the Record Date;
- (b) an Announcement including the finalisation information must be made on or before the finalisation date (“**FD**”) which must be at least ten Business Days before the Record Date and at least five days before the Last Day to Trade;
- (c) declaration data and finalisation information can be announced on the same day as long as the Announcement is Published at least fifteen Business Days before the Record Date;
- (d) the EESE Listed Securities concerned will trade ex-entitlement on the first Business Day after the Last Day to Trade;
- (e) any Corporate Action must be declared unconditional on or before the finalisation date;



- (f) suspension and removal of a Listing as a result of a Corporate Action will always take place at the commencement of business;
- (g) all ratios or basis for cash payments (which cash payments are measured in cents) must be reflected to five decimal places;
- (h) all allocations of EESE Listed Securities will be rounded up or down based on standard rounding convention (i.e. allocations will be rounded down to the nearest whole number if they are less than 0,5 and will be rounded up to the nearest whole number if they are equal to or greater than 0,5) resulting in allocations of whole EESE Listed Securities and no fractional entitlements.

9.2 Change of name

- (a) Upon a change of name of an issuer, EESE may assign a new share symbol to the issuer's EESE Listed Securities at the request of the issuer or upon its own initiative. The issuer's choices should be communicated to EESE for approval, prior to adoption of the name change.
- (b) The following documents must be Published in connection with a name change:
 - (i) a press release announcing the name change;
 - (ii) a certified copy of the certificate of amendment, or equivalent document;
 - (iii) confirmation from the Registrar and transfer agent that it is in a position to effect transfer in the new issue; and
 - (iv) confirmation of notification by the issuer to CIPC and the CSDP of the name change.
- (c) The issuer's EESE Listed Securities will normally commence trading on the EESE Trading System under the new name and symbol at the opening of trading 2 (two) or 3 (three) Trading Days after all the documents set out in Schedule 2 are Published. EESE will Publish an Announcement on the EESE Website to authorised users advising of the name change and effective date of trading under the new name and symbol.

9.3 Share splits

- (a) In order to facilitate trading in the EESE Listed Securities of the issuer and prevent confusion the issuer must, after obtaining all necessary shareholder and other corporate approvals, if applicable, fix in advance a Record Date for determining Shareholders entitled to the benefit of the share split.
- (b) If the share split requires shareholder approvals, the meeting of Shareholders must take place at least seven Trading Days in advance of the Record Date.
- (c) The shares will commence quotation on the EESE Trading System on a split basis at the opening of business on the second Trading Day preceding the Record Date. EESE will issue an Announcement on the EESE Website to authorised users advising of the share split and effective date of trading on a split basis.



- (d) If the push-out method is to be used, the following documents must be Published and filed by the issuer with EESE at least three Trading Days in advance of the Record Date:
- (i) an Announcement announcing the share split;
 - (ii) written confirmation of the Record Date, which is deemed to be after the close of the EESE Trading System on that day;
 - (iii) confirmation of notification of the issuer to the appropriate commission(s) and EESE of the share split; and
 - (iv) a certified copy of the amendment, or equivalent document.

9.4 Share consolidation

- (a) Issuers may not effect a share consolidation which reduces the number of issued and outstanding shares of the issuer, without giving effect to any other distribution or transaction, to less than 1 000 shares or if the share consolidation is effected in connection with another distribution or transaction, to less than 500 shares, prior to giving effect to the distribution or transaction.
- (b) The following documents must be Published by the issuer at least three Trading Days in advance of the Record Date:
- (i) an Announcement announcing the share consolidation;
 - (ii) a completed notice of the proposed share consolidation (Schedule 12) in the form prescribed by EESE made available on EESE's website;
 - (iii) written confirmation of the Record Date (if applicable);
 - (iv) a certified copy of the shareholder resolution authorising the share consolidation;
 - (v) an opinion from legal counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with Applicable Laws;
 - (vi) a definitive specimen of the new share certificates;
 - (vii) confirmation from the registrar and transfer agent that it is in a position to effect transfers of the consolidated shares; and
 - (viii) a certified copy of the amendment, or equivalent document giving effect to the share consolidation.
- (c) The shares will commence trading on the EESE Trading System on a consolidated basis on the second Trading Day preceding the Record Date. EESE will Publish an Announcement on the EESE Website to authorised users advising of the share consolidation and effective date of trading on the consolidated basis.



9.5 Share reclassification (with no share split)

- (a) The following documentation must be Published in connection with a share reclassification not involving a share split, a reclassification into more than one class of shares or other change to the issuer's capital structure, in which case the issuer must consult with EESE in order to determine the appropriate procedure and the Listing Requirements:
 - (i) an Announcement announcing the share reclassification;
 - (ii) a completed notice of the proposed share reclassification (Schedule 12) in the form prescribed by EESE made available on EESE's website;
 - (iii) a written confirmation of the Record Date;
 - (iv) a certified copy of the Shareholders resolution approving the reclassification;
 - (v) confirmation from the registrar and transfer agent that it is in a position to effect transfers in the reclassified shares; and
 - (vi) a copy of any applicable amendment, or equivalent document.
- (b) The reclassification will normally become effective for quotation purposes on the EESE Trading System two Trading Days preceding the Record Date. EESE will issue an Announcement on the EESE Website to authorised users advising of the share reclassification and effective date of trading on the reclassified basis.

10. APPROPRIATE DISCLOSURE

10.1 Introduction

EESE views the following three fundamental principles as essential to promote a fair and efficient capital market that fosters confidence and protects investors from unfair, improper or fraudulent practices:

- (a) accurate and timely disclosure of Material Information by issuers; and
- (b) Announcements must be Published on the EESE Website, and the applicable Counter Trading Page and issuer's website.
- (c) comprehensive market regulation to ensure that accurate and timely continuous disclosure occurs. All investors must have equal and timely access to Material Information about an issuer, both to allow investors to make reasoned and informed investment decisions, and to participate in securities markets on an equal footing with other investors.
- (d) to continue to qualify for Listing, every issuer must make accurate, timely continuous disclosure of Material Information that complies with the Companies Act as well as the FMA.



10.2 Full, true and plain disclosure

As an overriding principle, the Listing Circular must contain such particulars and information which, according to the particular nature of the issuer and the securities for which Listing is sought, are necessary to enable an investor to make an informed securities assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and of its profits and losses (and of any guarantor) and of the rights attaching to such securities and must set out such information accurately and in plain language as contemplated in the CPA.

10.3 Contents of all Circulars

- (a) Circulars must
 - (i) provide a clear and adequate explanation of the subject matter, and if voting or other action is required, contain all information necessary to allow the Shareholders to make a properly informed decision; and contain a heading drawing attention to the importance of the document and advising Shareholders that are in any doubt as to what action to take, to consult appropriate advisers;
 - (ii) include all the information Published, or to be Published, simultaneously with the Circular, in any Announcement issued in connection with the transaction to which the Circular relates; and
 - (iii) provide clear guidance in respect of any event requiring action by Shareholders and any relevant dates.
- (b) Certain information which must be disclosed in a Circular may be incorporated by reference.

10.4 Consultation with EESE

- (a) It is the responsibility of each issuer to determine what information is material in the context of the issuer's own affairs. The materiality of information varies from one issuer to another, and will be influenced by factors such as the issuer's profitability, assets, capitalisation, and the nature of its operations. An event that is **Significant** or **major** in the context of a smaller issuer's business and affairs may not be material to a larger issuer.
- (b) Given the element of judgment involved, issuers are encouraged to consult with EESE on a confidential basis as to whether or not a particular event gives rise to Material Information.

10.5 Rumours and unusual trading activity

- (a) Rumours and unusual trading activity may influence or affect the investment decision of a reasonable investor and/or the trading price of the issuer's EESE Listed Securities. It is impractical to expect management to be aware of, and comment on, all rumours or unusual trading activity. Subject to pre-notification to EESE, an issuer is required to disclose Material Information immediately upon the information becoming known to management, or in the case of information previously known, upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk that Persons with access to that information will act upon undisclosed information.



- (b) The need for immediate disclosure frequently requires that press releases be issued during trading Hours, especially when an important Corporate Action has occurred. When this occurs, the issuer must notify EESE prior to the issue of a press release. EESE will then be able to determine whether trading in the issuer's EESE Listed Securities should be temporarily suspended.

10.6 No selective disclosure

- (a) Disclosure of Material Information must not be made on a selective basis. The disclosure of Material Information must ensure that all investors have access to the information on an equal basis.
- (b) The board of Directors of an issuer should put in place policies and procedures that will ensure that those responsible for dealing with Shareholders, brokers, analysts, and other external parties are aware of their and the issuer's obligations with respect to the disclosure of Material Information.
- (c) Should Material Information be disclosed, whether deliberately or inadvertently, other than through a widely disseminated press release, the issuer must immediately contact EESE and request a suspension of trading pending the general publication of the information.

10.7 Content of Announcements

- (a) Announcements of Material Information should be factual and balanced and unfavourable news must be disclosed as promptly and completely as favourable news.
- (b) Announcements must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions.
- (c) Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.
- (d) All Announcements must include the name of the notifications officer of the issuer who is responsible for the Announcement, together with the issuer's telephone number. The issuer may also include the name and telephone number of an additional contact Person.
- (e) Any issuer that fails to comply with any provision of this section may be subject to a suspension of trading without prior notice to the issuer.

10.8 Insider trading

- (a) Issuers are required to put in place effective controls, procedures and policies to create awareness of and, to the extent possible, counteract insider trading activities.
- (b) In the event that EESE is of the opinion that insider or improper trading may have occurred before Material Information has been disclosed and disseminated, EESE may require that an immediate Announcement be made disclosing such Material Information. EESE will refer the matter to the FSCA for enforcement action.



10.9 Notifiable events

- (a) Issuers are required to make full public disclosure of all Material Information of the relevant issuer.
- (b) Actual or proposed Corporate Actions of the issuer that require immediate disclosure by the issuer include, but are not limited to, the following:
 - (i) changes in share ownership that may affect control of the issuer;
 - (ii) changes in corporate structure;
 - (iii) take-over bids or issuer bids;
 - (iv) major corporate acquisitions or dispositions;
 - (v) changes in capital structure;
 - (vi) borrowing of a material amount of funds;
 - (vii) development of new products and developments affecting the issuer's resources, technology, products or market;
 - (viii) Significant discoveries or exploration results, both positive and negative, by resource companies;
 - (ix) entering into or loss of Significant contracts;
 - (x) firm evidence of Significant increases or decreases in near-term earnings prospects;
 - (xi) changes in capital investment plans or corporate objectives;
 - (xii) Significant changes in management;
 - (xiii) Significant litigation;
 - (xiv) major labour disputes or disputes with major contractors or suppliers;
 - (xv) events of default under financing or other agreements; or
 - (xvi) any other developments relating to the business and affairs of the issuer that might reasonably be expected to influence or change an investment decision of a reasonable investor.
- (c) Disclosure is only required where a development is material. Issuers are encouraged to consult with EESE on a confidential basis as to whether or not a particular event gives rise to Material Information.
- (d) An issuer is required to disclose Material Information immediately upon the information becoming known to management, or in the case of information previously known, upon it becoming apparent that the information is material.



- (e) Announcements of Material Information should be factual and balanced and unfavourable news must be disclosed as promptly and completely as favourable news. Announcements must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions. Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.
- (f) Forecasts of earnings and other financial forecasts need not be disclosed, but where a Significant increase or decrease in earnings is expected relative to previously Published financial information, this fact must be disclosed.

10.10 Cautionary Announcements

- (a) Immediately after an issuer acquires knowledge of any material Price Sensitive Information and the necessary degree of confidentiality of such information cannot be maintained or if the issuer suspects that confidentiality has or may have been breached, an issuer must Publish a cautionary Announcement.
- (b) Cautionary Announcements must contain disclosure of all available details regarding the information that is the subject of the cautionary Announcement and contain a warning to Shareholders that they are advised to exercise caution when dealing in EESE Listed Securities, until full details regarding such information has been Published on the issuer's website and the EESE Website.
- (c) However, when an issuer is unable to provide details on the subject of the cautionary Announcement, such Announcement should simply state that there has been an event/there are circumstances/there are new developments relating to the issuer, the full impact of which is/are currently being determined, which may have a material effect on the price of the issuer's EESE Listed Securities and that Shareholders are advised to exercise caution when dealing in the EESE issuer's securities until a full Announcement is made.
- (d) After an issuer has issued a cautionary Announcement, it must issue a progress report by way of a further cautionary Announcement at least every 20 Business Days thereafter, unless EESE allows otherwise, until full details on the subject of the cautionary Announcement have been announced. Such Announcement must contain all available details on the matter. Alternatively, if it becomes appropriate for a cautionary Announcement to be withdrawn, issuers should attend to such withdrawal promptly and without delay.

10.11 Publications

- (a) An issuer must Publish all Announcements and notices, or any other document it is required to Publish in terms of these Listing Requirements on its Issuer Website and must provide EESE with all such Announcements and request that EESE Publish all such Announcements on the EESE Website and the Counter Trading Page.
- (b) In addition to any other publications the issuer is required to make as referred to in these Listing Requirements, the issuer must also ensure that following documents are Published:
 - (i) the Listing Circular, including all reports required to be filed therewith;



- (ii) the Prelisting Application Form;
 - (iii) the Listing Agreement;
 - (iv) an executed Certificate of Compliance; and
 - (v) an index of the following documents comprising the issuer's CIPC documents, including:
 - (A) certificate of incorporation;
 - (B) Memorandum of Incorporation;
 - (C) registered Directors;
 - (vi) Issuer Rules in respect of any of Restricted Securities of the issuer;
- (c) All documents must be Published in the data format as prescribed by EESE from time to time.
- (d) Any Announcements which EESE is required to Publish in terms of the Listing Requirements must be Published by EESE on the EESE's website.

10.12 Documents to be submitted to EESE on an ongoing basis

In addition to any documents which an issuer is required to deliver to EESE in terms of these Listing Requirements, the following documents must be submitted by each issuer listed on EESE;

- (a) the most recent SARS tax clearance certificate is to be provided on an annual basis;
- (b) audited annual financial statements within 4 months of the issuer's financial year-end, or such shorter period prescribed for the release, in general, of audited financial statements by the issuer in terms of any Applicable Laws;
- (c) interim reports are to be provided every three months following the issuer's financial year end; and
- (d) a Certificate of Compliance must be delivered annually.

11. AMENDMENTS TO THE LISTING REQUIREMENTS

- (a) Subject to the provisions of the FMA, EESE may amend the Listing Requirements through a public consultation process. The proposed amendments to the Listing Requirements will be Published through EESE Website inviting comments from affected parties for a period of one month.
- (b) Once the public consultation process has been completed, EESE will submit the proposed amendments to the Listing Requirements, together with an explanation of the reasons for the proposed amendments, and any concerns or objections raised during the public consultation process, to the registrar for approval.



12. EXCLUSION OF LIABILITY

- (a) Subject to Securities Regulations, EESE will use its best endeavours to monitor compliance with the Listing Requirements and EESE Rules by the issuers, enforce EESE Rules and organise fair, orderly and efficient markets.
- (b) Subject to Securities Regulations, in providing trading facilities in respect of securities and related services and communications, infrastructure and connections, EESE must act on a commercial best efforts basis.
- (c) Unless otherwise expressly provided in the rules or in any other agreement between EESE and an issuer, EESE shall only be liable for fraud, gross negligence and wilful misconduct where there is a finding of such conduct by an applicable court or equivalent body which exercises jurisdiction over EESE in accordance with the laws of South Africa.
- (d) For the purposes of this section references to EESE shall include any Directors, officers, employees of EESE.