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THE INTEGRATED EXCHANGE (PTY) LTD.

EXCHANGE RULES

Version 2

In terms of Section 17 of the Financial Markets Act, 2012

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1. DEFINITIONS AND INTERPRETATION

(a) In these Rules, words and expressions which are defined and used or have a particular meaning ascribed to them in a particular context in the FMA shall, when used in these Rules in a similar context, bear the same meaning unless excluded by the subject or the context, or unless these Rules provide otherwise.

(b) The following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings:

Account Maintenance Fee means the fee payable by the Client to I-Ex, monthly in arrears, on the first Business Day immediately following the last calendar day of the relevant month, in an amount equal to the interest that has actually accrued in that month in respect of the funds standing to the credit of the I-Ex Trust Account(s), and allocated to a Client's Trading Account.

Advice has the same meaning as contained in section 1 of FAIS.

AFSA means the Arbitration Foundation of Southern Africa.

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

(i) statutes, subordinate legislation and common law;

(ii) regulations;

(iii) ordinances and by-laws;

(iv) 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

(v) other similar provisions.

Authority means the Financial Sector Conduct Authority established in terms of section 56 of the Financial Sector Regulation Act, 2017.

Beneficial Owner in relation to an I-Ex Listed Security, means the person in whom the beneficial interest(s) in such I-Ex Listed Security vests and which are held in the name of the Nominee as registered owner acting as nominee on behalf of that person.

Beneficial Interest has the same meaning as contained in section 1 of the Companies Act.

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

Certificated Securities means Securities of the same class as 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.

Client means any person to whom an I-Ex Authorised User provides Trading and Verification Services in terms of the Rules, and which has been authorised to transact in Listed Securities of an Issuer.

Client Bank Account or **Client's Bank Account** means the Client's bank account as designated by a Client to its I-Ex Authorised User(s) in writing from time to time, provided that the Client may only designate one bank account for purposes of these Rules.

Client Nominee Account means a securities account kept by the I-Ex Authorised User in the name of a Client reflecting the number or nominal value of Listed Securities of each kind held on behalf on a Client, and all entries made in respect of such Listed Securities.

Client Trading Account or **Trading Account** means the electronic record of a Client's funds paid into the relevant I-Ex Trust Account and any pending Trading Instructions and/or Transactions, maintained by the I-Ex Trading System in respect of all Listed Securities that the Client is permitted to transact in, in accordance with these Rules.

Companies Act means the Companies Act, 2008.

Control means in relation to any party:

(i) the holding or beneficial ownership of 51% or more of the ordinary shares (or other like instruments) in that party's issued share capital (or like ownership structure) or the holding of a participation interest of 51% or more in that party where it is unincorporated; or

(ii) the right or ability to direct or otherwise control or exercise 51% or more of the voting rights attaching to that party's issued ordinary shares (or like instruments) or the right or ability to direct or otherwise control or exercise the voting rights attaching to a participation interest of 51% or more in that party; or

(iii) the right or ability to appoint or remove 51% or more of the board of directors of that party (or such other body legally representing such party) or to appoint or remove individuals able to exercise 51% or more of the votes exercisable at the meetings of the board of directors or such party; or

(iv) the right or ability to direct or generally manage, or cause the direction or general management of, affairs of such party and the terms **Controls** and **Controlled** shall have the corresponding meaning.

Counter Trading Page means the Issuer branded trading page on the I-Ex Website.

CSDP means a central securities depository participant that has been authorised by a central securities depository as a participant in that central securities depository.

Disciplinary Committee means the committee established in terms of Rule 10.3(b) which committee adjudicates and makes rulings on alleged improper conduct in terms of these Rules.

Dispute Resolution Rules means the Dispute Resolution Rules set out in Rule 9

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**.**

FAIS means the Financial Advisory and Intermediary Services Act, 2002.

FICA means the Financial Intelligence Centre Act, 2001.

FMA means the Financial Markets Act, 2012.

FSP means a financial services provider as defined in FAIS.

I-Ex means The Integrated Exchange Proprietary Limited, a company duly incorporated as such under the Companies Act with registration number 2015/197820/07 and a licensed exchange in terms of section 9 of the FMA.

I-Ex Authorised User means a person authorised by I-Ex to perform Trading and Verification Services in accordance with these Rules.

I-Ex Bond and Note Listing Requirements means the requirements for the listing of non-equity securities on I-Ex as determined by I-Ex and approved by the Authority, in accordance with section 11 of the FMA.

I-Ex Compliance Officer means the compliance officer of I-Ex from time to time, who can be contacted at the details specified on the I-Ex Website

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

I-Ex CSDP means a CSDP which has been designated by I-Ex as a CSDP to be appointed by each Nominee for purposes of maintaining the Nominee Accounts, and reporting and settling Transactions in Listed Securities.

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

I-Ex Listing Requirements means the requirements for the listing of Equity Securities determined by I-Ex and approved by the Authority, in accordance with section 11 of the FMA.

I-Ex Scheduled Trading Hours means 09h00 to 17h00 on each Business Day.

I-Ex Settlement SPV means EESE Nominees (Pty) Ltd, the insolvency remote special purpose company duly incorporated as such under the Companies Act with registration number 2016/527144/07, established by I-Ex.

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

I-Ex Trust Account means each bank account maintained by the I-Ex Settlement SPV as contemplated in section 21 of the FMA, into which all Client funds will be paid, on behalf each Client in order to settle a Transaction as contemplated in Rules 6.6 and 6.8

I-Ex Website means the official website of the I-Ex, which for the time being is www.i-ex.co.za.

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

Issuer Rules means the requirements stipulated by an Issuer, and approved by I-Ex, in respect of any criteria for a person to qualify to transact in any class of I-Ex Listed Securities of that Issuer, any specific Issuer Trading Times during which Transactions in its I-Ex Listed Securities may be effected, or any other criteria or parameters pursuant to the I-Ex Listing Requirements.

Issuer Trading Times means the specific times during I-Ex Scheduled Trading Hours that I-Ex Authorised Users and/or Clients will be permitted to execute Transactions on the I-Ex Trading System in accordance with the Issuer Rules.

Listed Securities means Securities included in the List kept by I-Ex in terms of section 11 of the FMA, the I-Ex Listing Requirements and the I-Ex Securities Listing Requirements and which I-Ex has authorised for trading on the I-Ex Trading System.

Nominee means a person approved by I-Ex or the Authority in terms of section 76 of the FMA and these Rules to act as the registered holder of Listed Securities on behalf of a Client.

Nominee Account means a designated account opened by the I-Ex Authorised User in the name of a Nominee with an I-Ex CSDP, to record the number or nominal value of Listed Securities registered in the name of the Nominee and beneficially owned by the Client, and to record all Transactions and entries made in respect of such Listed Securities.

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

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 I-Ex Listed Security.

Prime Interest Rate means the interest rate charged by commercial banks on loans to customers or corporations

Rules means the rules of I-Ex as contained herein, as amended from time to time.

Securities have the same meaning as that contained in section 1 of the FMA.

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

South Africa means the Republic of South Africa.

Strate means Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated in accordance with the laws of South Africa and a licensed central securities depository in terms of section 29 of the FMA.

Trading and Verification Services means:

(i) the buying and selling of Listed Securities on behalf of a Client;

(ii) the use of the I-Ex Trading System to buy or sell Listed Securities;

(iii) the verification of a Client by an I-Ex Authorised User in accordance with Rule 6.2; and

(iv) the verification of a Client by an I-Ex Authorised User, in its capacity as Verification Agent, in respect of any applicable Issuer Rules.

Trading Instructions means those messages submitted into the I-Ex Trading System relating to trading services, such as an offer to sell or a bid to buy or cancellations of such instructions and the reporting of Transactions on the I-Ex Trading System.

Trading Permission means the right to submit Trading Instructions via a Counter Trading Page to the I-Ex Trading System.

Transaction means a matched bid and offer resulting in a contract of purchase and sale of Listed Securities.

Transfer Secretary means the transfer secretary (approved by an I-Ex CSDP) appointed by an Issuer pursuant to the I-Ex Listing Requirements.

Verification Agent means the I-Ex Authorised User appointed by an Issuer in terms of its Issuer Rules that is responsible for verifying that persons wishing to transact in I-Ex Listed Securities issued by that Issuer qualifies in terms of such Issuer Rules.

1.2 Construction

(a) Unless a contrary indication appears, any reference in these Rules to:

(i) assets includes present and future properties, revenues and rights of every description;

(ii) authority includes any court or any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority;

(iii) an agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended or restated;

(iv) the use of the word including followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples;

(v) a person includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(vi) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(vii) a provision of law is a reference to that provision as amended or re-enacted; and

(viii) a time of day is a reference to Johannesburg time.

(b) Section, Rule and directive headings are for ease of reference only.

(c) If any provision in a definition is a substantive provision conferring rights or imposing obligations on any person, notwithstanding that it appears only in an interpretation clause, effect shall be given to it as if it were a substantive provision of these Rules.

(d) Unless inconsistent with the context, an expression which denotes the singular includes the plural and vice versa.

(e) The rule of construction that, in the event of ambiguity, a contract shall be interpreted against the party responsible for the drafting thereof, shall not apply in the interpretation of the Rules.

(f) Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

(g) Unless a contrary indication appears, where any number of days is to be calculated from a particular day, such number shall be calculated as including that particular day and excluding the last day of such period.

(h) A reference to records includes any documents and any electronic records which I-Ex considers are relevant for the purposes of performing its functions under the Rules.

2. GENERAL PROVISIONS

2.1 Rules and directives

(a) Purpose of Rules and directives

(i) The purpose of these Rules is to achieve the objects of I-Ex as set out in its Memorandum of Incorporation by providing the procedures

necessary to establish and regulate a fair and efficient market for Listed Securities and to ensure that the business of I-Ex is carried out in an orderly manner and with due regard to the objects of the FMA.

(ii) For purposes of achieving the objective referred to in Rule 2.1(a)(i), I-Ex may issue such directives as it deems necessary.

(b) **Rules and directives binding**

(i) These Rules and any directive issued by I-Ex in terms of Rule 2.1(a)(ii) are binding on the I-Ex Authorised User and its employees.

(ii) The Rules and any directive issued by I-Ex in terms of Rule 2.1(a)(ii) are binding on any person utilising the services of the I-Ex Authorised User or who concludes a Transaction in Listed Securities, directly or through an I-Ex Authorised User.

2.2 Transactions subject to provisions of the FMA and the Rules

Every Transaction in Listed Securities entered into by the I-Ex Authorised User must be concluded on the specific condition that the Transaction is entered into subject to the FMA and these Rules.

2.3 Interpretation of the Rules

(a) The interpretation and enforcement of these Rules vests in I-Ex.

(b) In the interpretation of these Rules, a construction that would promote the purpose or object underlying the Rules (whether that purpose or object is expressly stated in the Rules or not) is to be preferred to a construction which would not promote that purpose or object.

2.4 I-Ex not responsible for any losses

Subject to section 72 of the FMA and any other Applicable Laws, I-Ex shall not be responsible or liable to any person for any loss or damage resulting from:

(a) negligence, on the part of I-Ex or on the part of any employee or agent of I-Ex;

(b) any act of omission on the part of any third party;

(c) incorrect, inaccurate, defective or misleading information furnished or supplied by I-Ex or any employee or agent of I-Ex or any third party;

(d) equipment breakdown or the breakdown, interruption, suspension, termination or failure of or defect in any system, including but not limited to any trading system, or service rendered by or on behalf of I-Ex;

(e) computer system malfunction, the interruption or failure of communications links, power failure, the failure of or defect in any software or hardware, whether owned by, licensed or leased to I-Ex, the loss or destruction of any

data and any loss or damage caused by natural disaster, riot, insurrection, acts of vandalism, sabotage or similar cause; and

(f) the termination, for any reason, of any licence or other agreement to which I-Ex is a party.

2.5 Amendments to these Rules

(a) Subject to the provisions of the FMA, I-Ex may amend these Rules.

(b) I-Ex Authorised Users will be notified of any intention to amend the Rules by way of a publication of the intended amendment on the I-Ex Website.

(c) If, within ten calendar days of the notification of the intention to amend the Rules, 5 or more I-Ex Authorised Users object, in writing, to the amendment, the objection, together with the reasons submitted by the relevant I-Ex Authorised Users for such objection, will be referred to the board of directors I-Ex for determination. If the board of directors of I-Ex determines that the Rules will be amended as proposed, such amendments will be submitted to the Register for approval.

(d) If no objection to a proposed amendment of the Rules as been lodged within the time prescribed in Rule 2.5(c) above, the relevant proposed amendments will take effect immediately.

(e) Unless expressly stated otherwise, the effect of a Rule being amended, deleted, lapsing or otherwise ceasing to have effect does not:

(i) affect the previous operations of that Rule or anything done pursuant to that Rule;

(ii) affect any right, privilege, obligation or liability acquired, accrued or incurred under that Rule;

(iii) affect any penalty, forfeiture, suspension, expulsion or other enforcement action taken or incurred in respect of any breach of that Rule; or

(iv) affect any investigation, proceeding, enforcement process, appeal process, sanction or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, suspension, expulsion or other enforcement action, and any such investigation, proceeding, enforcement process, appeal process, sanction or remedy may be instituted, continued or enforced, and any such penalty, forfeiture, suspension, expulsion or other enforcement action may be imposed as if the Rule had not been amended, deleted, lapsed or otherwise ceased to have effect.

3. AUTHORISATION AND APPROVALS

3.1 Authorisation by the I-Ex

I-Ex is authorised in terms of the FMA to provide for:

(a) Categories of I-Ex Authorised Users;

(b) The requirements for admittance as an I-Ex Authorised User;

(c) The exclusion of I-Ex Authorised Users; and

(d) The requirements for an I-Ex Authorised User to perform regulated securities services.

3.2 Scope of services to be provided by the I-Ex Authorised User

(a) On admission the I-Ex Authorised User is authorised by I-Ex to provide the Trading and Verification Services.

(b) The I-Ex Authorised User is not authorised in terms of these Rules to provide any Advice in respect of Listed Securities, or any other form of securities services.

(c) Nothing in these Rules will operate to prevent a Client from obtaining Advice or any other securities services from any licensed FSP, including an I-Ex Authorised User licenced to do so in terms of FAIS or other Applicable Laws.

3.3 Conditions of admission

(a) To qualify to be admitted as an I-Ex Authorised User an applicant, must:

(i) be incorporated and registered as a company under the Companies Act;

(ii) hold an appropriate licence to conduct financial services in terms of FAIS;

(iii) establish and maintain a Nominee which meets the requirements of Rule 3.3(b) below;

(iv) only appoint executive and non-executive directors who comply with fit and proper requirements as set out in Rule 4.1 (Fit and proper requirements);

(v) ensure that a shareholder who directly or indirectly holds in excess of 10% of the issued shares of the applicant or I-Ex Authorised User complies with fit and proper requirements as set out in Rule 4.1 (Fit and proper requirements);

(vi) appoint a compliance officer who complies with fit and proper requirements as set out in Rule 4.1 (Fit and proper requirements); and

(vii) appoint an I-Ex CSDP.

(b) **Nominees**

An I-Ex Authorised User's Nominee must comply with the following requirements:

(i) the sole objective of the Nominee must be to act as the registered holder of Listed Securities exclusively on behalf of that I-Ex Authorised User's Clients;

(ii) the shares in the Nominee must be beneficially owned by the I-Ex Authorised User and be registered in the name of the I-Ex Authorised User;

(iii) the I-Ex Authorised User must ensure that the Nominee incurs no liabilities other than normally incurred as a result of acting as a nominee in respect of securities;

(iv) the powers of the Nominee shall be limited to the objects set out in Rule 3.3(b)(i) above and any such other acts as may be necessary to achieve that objective;

(v) if any I-Ex Listed Security is issued by an Issuer that is a private company , the Nominee must disclose the identity of the Client on whose behalf that I-Ex Listed Security is held, and the identity of each person with a beneficial interest in the Listed Securities so held, the number and class of such Listed Securities held for each such Client and the extent of the Client's beneficial interest, in writing within 5 Business Days after the end of every month during which a change has occurred, or more promptly or frequently to the extent required by the rules of the I-Ex CSD; and

(vi) the use of the Nominee in acting as registered holder of Listed Securities on behalf of the I-Ex Authorised User's Client's must be approved by I-Ex on the basis that the I-Ex Authorised User has appointed an I-Ex CSDP to perform custody services on behalf of that I-Ex Authorised User and has granted an I-Ex CSDP the authority to exercise control over the Client's Listed Securities held in the name of the Nominee.

(c) **Resources, procedures and systems**

(i) An I-Ex Authorised User must employ adequate resources, procedures and systems that are necessary for:

(A) the effective performance of the Trading and Verification Services that it provides;

(B) ensuring compliance with the FMA and the Rules and directives that are relevant to the performance of the Trading and Verification Services that it provides; and

(C) ensuring compliance with FICA.

(ii) An I-Ex Authorised User must ensure that its employees are suitable, adequately trained and properly supervised.

(d) **Business activities**

The scope of an I-Ex Authorised User's business activities may include the management of investments, provision of Advice in relation to financial products, or other securities services. However, the I-Ex Authorised User is not authorised to perform those services by virtue of the I-Ex Authorised User's admission as such by I-Ex, and must be authorised to perform such services by another licenced exchange in accordance with the FMA and hold the appropriate licence to conduct such activity in terms of FAIS.

(e) **Financial resources**

(i) An I-Ex Authorised User must ensure that it maintains adequate financial resources as set out in this Rule 3.3(e) to meet its business commitments and to withstand the risks to which its business is subject.

(ii) The I-Ex Authorised User must not be an unrehabilitated insolvent or under liquidation or in provisional liquidation or in business rescue, or financially distressed as contemplated in the Companies Act.

(iii) The assets (excluding goodwill, intangible assets, investments in and loans to related parties and investments with or loans to persons to whom the I-Ex Authorised User renders financial services in terms of FAIS), fairly valued, of the I-Ex Authorised User must at all times exceed the I-Ex Authorised User's liabilities, fairly valued.

(iv) The I-Ex Authorised User must:

(A) maintain current assets which are at least sufficient to meet current liabilities; and

(B) maintain or have access to cash and cash equivalent assets equal to or greater than 4/52 weeks of annual expenditure, determined with reference to the annual expenditure per the previous year's audited financial statements, or if the applicant is newly incorporated, the budgeted annual expenditure.

(v) An I-Ex Authorised User must:

(A) provide the I-Ex with a certificate signed by the directors on an annual basis confirming that:

I. the I-Ex Authorised User satisfies the solvency and liquidity test as set out in section 4 of the Companies Act; and

II. the I-Ex Authorised User in in compliance with the requirements set out in Rule 3.3, 5.4, and specifying the details of the ratio of cash and cash equivalents to 4/52 weeks annual expenditure per Rule 3.3, 5.4, 2; and

(B) submit audited annual financial statements within 3 months of its financial year end, or such later date as the Authority may allow on application.

3.4 Application process

(a) An applicant must apply for admission as an I-Ex Authorised User, and for approval of its Nominee, to the I-Ex in the form and manner prescribed by the I-Ex. The application must be accompanied by any application fee prescribed by I-Ex.

(b) An applicant must satisfy I-Ex that the applicant and its Nominee complies with the conditions to admission and the requirements for an I-Ex Authorised User as set out in Rules 3.2, 3.3, 3.12 and 4.

(c) The I-Ex may require the applicant to provide further information and may institute an investigation to verify information submitted by the applicant in support of an application. The investigation may include a request for one or more representatives of the applicant to be interviewed by the I-Ex.

(d) The I-Ex has the sole discretion to accept or reject the application, or to accept an application subject to certain conditions being met.

(e) The I-Ex must notify the applicant in writing of its decision and of any conditions that are required to be met.

(f) A person aggrieved by a decision of the I-Ex to reject an application to be admitted as an I-Ex Authorised User may appeal to the appeal board in terms of section 105 (1) of the FMA.

3.5 I-Ex Authorised Users' duty to furnish information

(a) An I-Ex Authorised User must immediately advise I-Ex in writing of:

(i) any change in the name of the I-Ex Authorised User or address of any office of the I-Ex Authorised User, and of any change in the I-Ex Authorised User's telephone or facsimile numbers or electronic mailing addresses

(ii) the granting of an application for, or the revocation of, any registration, authorisation or licence which may bear upon or be associated with its business as an I-Ex Authorised User of I-Ex;

(iii) any of the circumstances referred to in Rule 3.7(a) arising;

(iv) the prosecution of or the conviction of the

(v) I-Ex Authorised User for any offence under legislation relating to banking, other financial services, companies, insolvency, insurance and pension and provident societies, or for any offence involving fraud or dishonesty;

(vi) any change in the appointment of a compliance officer or any person becoming or ceasing to be a director of an I-Ex Authorised User;

(vii) any event or circumstance which has or may have any bearing on whether an officer or a shareholder who is a natural person and who directly or indirectly holds in excess of 10% of the issued shares of the

I-Ex Authorised User fails to meet the fit and proper requirements as stipulated in Rule 4;

(viii) the dismissal of an employee of the I-Ex Authorised User for committing or attempting to commit an act which is dishonest or fraudulent; or

(ix) any change in the name of the I-Ex Authorised User's I-Ex Nominee or the use of a new or different Nominee;

(x) a change in Control of the I-Ex Authorised User.

(b) Upon receipt of such a notification, the I-Ex may, in its sole discretion:

(i) terminate the admission of the I-Ex Authorised User in accordance with the provisions of Rule 3.7;

(ii) require the I-Ex Authorised User to reapply for admission and suspend that I-Ex Authorised User's Trading Permission pending finalisation of that application.

3.6 Voluntary termination of admission

(a) An I-Ex Authorised User may voluntarily terminate its admission by giving I-Ex at least 120 days written notice.

(b) I-Ex, in its sole discretion, may:

(i) accept such termination unconditionally; or

(ii) terminate the admission subject to Rule 3.8.

3.7 Involuntary termination of admission

I-Ex may provisionally or finally terminate admission if:

(a) the I-Ex Authorised User is placed in liquidation, whether provisional or final, or placed under business rescue proceedings or if any other judicial proceeding or court application for an insolvency proceeding is initiated, or the company files a resolution to such effect or has an insolvency administrator appointed to it;

(b) a Disciplinary Committee terminates admission in terms of Rule 10.3(d)(i)(C);

(c) the I-Ex Authorised User fails to meet the admission conditions in Rule 3.2; or

(d) the I-Ex Authorised User fails to make payment of any fees, levies, charges, penalties or subscriptions due to I-Ex on the due date therefore, in according with these Rules, and fails to remedy such failure within 3 Business Days of written demand.

3.8 Provisional termination of admission

(a) The purpose of provisional termination of admission is the postponement of the effective date of termination of admission to ensure that:

(i) all obligations to Clients have been met; and

(ii) all Transactions have been settled.

(b) I-Ex will determine the period of provisional termination and the effective date of termination of admission and may prescribe any conditions that it considers necessary to achieve the purpose set out in Rule 3.8(a).

(c) During the period of provisional termination of admission, the I-Ex Authorised User retains all of the obligations of admission but not the right to perform Trading Services, except in relation to achieving the objectives of Rule 3.8(a).

3.9 Safeguarding of Clients' Listed Securities

(a) The I-Ex Authorised User must keep a nominee register, in terms of the criteria prescribed by I-Ex by directive of the Listed Securities that are being held for time to time, full details of any change must be recorded forthwith in the nominee register.

(b) The necessary details of all I-Ex Equity Securities will be recorded and stored in a nominee register on the I-Ex Trading System in a manner which will render it possible at any time thereafter to establish readily the identity of the person entitled to ownership of those Listed Securities. Such Listed Securities must be held in a Nominee Account with an I-Ex CSDP.

3.10 The I-Ex Settlement SPV

(a) The sole objective of the I-Ex Settlement SPV is to maintain the I-Ex Trust Account(s).

(b) The funds deposited into the I-Ex Trust Account(s) are for the account of and in the name of the Client.

(c) The I-Ex Settlement SPV is not permitted, in accordance with its Memorandum of Incorporation, to incur any liabilities other than those normally incurred as a result of maintaining and operating the I-Ex Trust Account(s).

(d) The powers of the I-Ex Settlement SPV are limited to the objects set out in Rule 3.10(a) above and any such other acts as may be necessary to achieve that objective.

3.11 Consequences of termination of admission of I-Ex Authorised User

(a) An I-Ex Authorised User does not safeguard Client funds pursuant to the Trading and Verification Services provided to Clients in its capacity as an I-Ex Authorised User of I-Ex in accordance with the Rules. Client funds are held in an I-Ex Trust Account and are accordingly safeguarded by the I-Ex Settlement SPV.

(b) Accordingly, the termination of the admission of an I-Ex Authorised User pursuant to Rule 3.7 has no effect on administration Client funds.

(c) The I-Ex Authorised User shall hand over to I-Ex:

(i) such financial records of the I-Ex Authorised User as the I-Ex Board deems necessary for the identification and protection and return of the Client assets and to the facilitate the outstanding Transactions; and

(ii) control of all Client assets.

(d) An I-Ex CSDP shall apply Listed Securities held by the relevant I-Ex

Authorised User's Nominee on behalf of Clients to settle any open transactions.

(e) I-Ex shall take reasonable steps to ensure that any Listed Securities under the control of that I-Ex Authorised User are identified as the Clients' property and returned to the Client or his order, if so authorised by the Client in writing.

(f) Before any assets are returned to the Client the Client shall warrant in writing to the I-Ex Board that he is the lawful owner of such asset, and shall indemnify I-Ex in writing for any loss sustained by or damage cause to the Client or any other person as a result of anything done or omitted by I-Ex in the bona fide exercise of any power , or performance of any duty or function under or by virtue of this Rule 3.11.

3.12 I-Ex Authorised User's insurance arrangements

The I-Ex Authorised User must satisfy I-Ex on an annual basis that it has in place and will maintain a professional indemnity (or equivalent) insurance policy that the I-Ex Authorised User determines (acting reasonably) to be adequate having regard to the nature and extent of the business carried on by the I-Ex Authorised User in connection with its business as I-Ex Authorised User and the responsibilities and risks assumed or which may be assumed by the I-Ex Authorised User in connection with that business. The professional indemnity (or equivalent) insurance must include insurance against a breach of duty the I-Ex Authorised User owes in a professional capacity, whether owed in contract or otherwise at law, arising from any act or omission of the I-Ex Authorised User, its officers or employees.

4. MANAGEMENT AND CONTROL

4.1 Fit and proper requirements

(a) A prescribed officer or non-executive director of an I-Ex Authorised User, or a shareholder who is a natural person and who directly or indirectly holds in excess of 10% of the issued shares of an I-Ex Authorised User, must, subject to any waiver by I-Ex:

(i) be of full legal capacity;

(ii) not be an un-rehabilitated insolvent; and

(iii) comply with such criteria of good character and high business integrity as I-Ex deems fit.

(b) In determining whether a person complies with Rule 4.1(a)(iii), I-Ex will take into account, inter alia, whether the person has been:

(i) convicted of an activity constituting a criminal offence involving fraud, theft, dishonesty or market abuse, whether in South Africa or elsewhere;

(ii) involved, directly or indirectly, in any money laundering activity or any terrorist or related activity;

(iii) is prohibited in terms of any public regulation to be a director of a company;

(iv) has been removed from an office of trust, on the grounds of misconduct involving dishonesty.

(c) Dishonesty or a deliberate omission in an application to I-Ex will result in immediate disqualification of a person's fit and proper status.

4.2 Consent required for employment of certain persons

(a) No I-Ex Authorised User may without the written consent of I-Ex take into or retain in its employment in any capacity in any business carried on by it as an Authorised:

(i) any person refused admission as a member of the South African Institute of Stockbrokers or any person expelled from membership of the South African Institute of Stockbrokers;

(ii) any person refused approval to operate as a financial services provider or an authorised representative in terms of the FAIS Act; or

(iii) any person who is an un-rehabilitated insolvent or has been convicted of theft, fraud, forgery, or any other crime involving dishonesty.

(b) The consent of I-Ex may be given to an I-Ex Authorised User for a limited period for the employment of a person referred to in Rule 4.2(a) and may be withdrawn at any time, provided that I-Ex gives the I-Ex Authorised User one calendar months' notice of its intention to withdraw such consent.

4.3 Compliance officers

(a) An I-Ex Authorised User must appoint a compliance officer, with a suitable professional designation by the Compliance Institute of South Africa, and, if required submit a written declaration confirming adequate and up-to-date knowledge of the FMA, these Rules and directives, to assist the board of directors of the I-Ex Authorised User in ensuring compliance by the I-Ex Authorised User with the FMA, the Rules and the directives.

(b) A compliance officer must:

(i) with the necessary support and guidance from the board of directors of the I-Ex Authorised User, implement the resources, systems and procedures required to promote and monitor compliance by the I-EX Authorised User and its employees with the FMA, the Rules and the directives;

(ii) report to the I-Ex Compliance Officer any breaches by the I-Ex Authorised User of the FMA, the Rules and the directives or any other issue considered by the compliance officer to be irregular; and

(iii) ensure that the content of the Rules, I-Ex Listing Requirements, directives or any other notices from I-Ex is communicated to and understood by all relevant employees.

(c) The appointment referred to in Rule 4.3(a) must be made simultaneously with an application to I-Ex to be admitted as an I-Ex Authorised User.

(d) In the absence of a duly appointed compliance officer or where a compliance officer post has become vacant, a senior employee must temporarily assume the responsibilities of the compliance officer as referred to in Rules 4.3(a) and 4.3(b), for no longer than two months or such other period as I-Ex may approve.

4.4 Internal control and risk management

(a) The I-Ex Authorised User must employ the resources, procedures and technological systems necessary for the effective conduct of its business.

(b) The system of internal control employed by the I-Ex Authorised User must be designed to ensure that:

(i) the relevant business can be carried on in an orderly and efficient manner;

(ii) financial and other information used or provided by the I-Ex Authorised User is reliable;

(iii) all Transactions and financial commitments entered into by the I-Ex Authorised User are recorded and are within the scope of authority of the I-Ex Authorised User or the employee acting on behalf of the I-Ex Authorised User;

(iv) there are procedures to safeguard the assets of the I-Ex Authorised User and to control liabilities; and

(v) there are measures, so far as is reasonably practicable, to minimize the risk of loss to the I-Ex Authorised User or the Clients of the I-Ex Authorised User which results from any irregularity, fraud or error and to detect any irregularity, fraud or error should they occur so that prompt remedial action may be taken by the I-Ex Authorised User or the management of the I-Ex Authorised User.

(c) The I-Ex Authorised User must adopt sound risk management principles and procedures appropriate to its business activities. The principles and procedures of risk management must be designed to ensure that the records of the I-Ex Authorised User are maintained in such a manner as to promptly disclose financial and business information that will enable the I-Ex Authorised User or the management of the I-Ex Authorised User to:

(i) identify, quantify, control and manage the risk exposures of the I-Ex Authorised User;

(ii) make timely and informed business decisions;

(iii) monitor the financial adequacy of the I-Ex Authorised User to ensure compliance with the minimum financial requirements imposed in terms of these Rules.

4.5 Ongoing requirements

An I-Ex Authorised User must at all times:

(a) continue to satisfy the applicable conditions for an I-Ex Authorised User, including but not limited to, Rules 3.2, 3.3, 3.12, 4.1 to 4.4;

(b) comply with any conditions, and obligations imposed on an I-Ex Authorised User under these Rules;

(c) comply with the Rules, directives, decisions and requirements of I-Ex;

(d) comply with the provisions of FICA;

(e) not dispose, transfer, lease, assign or encumber any rights or obligations under these Rules, except as expressly permitted by these Rules or with the prior written approval of I-Ex.

5. I-EX TRADING SYSTEM

5.1 I-Ex Authorised User Trading Permission

(a) An I-Ex Authorised User may only trade Listed Securities via a Counter Trading Page in respect of which they have been granted permission to trade by the Issuer, in terms of the Issuer Rules, if applicable, of that Issuer.

(b) Each Issuer must appoint one or more I-Ex Authorised Users to verify that any Client wishing to transact in that Issuer's Listed Securities complies with the Issuer Rules, if any, prior to:

(i) submitting any Trading Instruction on behalf of a Client; or

(ii) confirming the Client's Trading Permission.

(c) The appointment of I-Ex Authorised Users as Verification Agent in terms of Rule 5.1(b) is made in terms of a bilateral agreement between the Issuer and each I-Ex Authorised User (the **Issuer/I-Ex Authorised User Agreement**), and shall include a provision confirming that I-Ex bears no responsibility nor liability for, and shall indemnify I-Ex against any costs, claims or losses incurred as a result of, any failure on the part of an I-Ex Authorised User to comply with its obligations in terms thereof.

(d) An I-Ex Authorised User that has not been granted Trading Permission by an Issuer to trade in a particular I-Ex Listed Security on behalf of a Client must

trade in that I-Ex Listed Security through the I-Ex Authorised User(s) nominated by the Issuer of that particular I-Ex Listed Security.

5.2 Clients

(a) An investor wanting to trade Listed Securities must register as a Client of one or more I-Ex Authorised Users, via the Counter Trading Page on the I-Ex Website related to the I-Ex Listed Security or may contact an I-Ex Authorised User directly.

(b) The I-Ex Authorised User shall:

(i) enter into a mandate agreement with the each Client, in the form of the I-Ex Client Mandate Agreement, as published by the I-Ex on the I-Ex Website from time to time;

(ii) open a Client Nominee Account in the name of the Client.

(c) The Client will be verified by the I-Ex Authorised User:

(i) for purposes of FICA in accordance with Rule 6.2; and

(ii) to the extent the Issuer of the relevant I-Ex Listed Securities has any Issuer Rules, as Verification Agent in accordance with the Issuer Rules and the Issuer/I-Ex Authorised User Agreement.

(d) The Client will be granted Trading Permission in respect of the Listed Securities in relation to which it has been verified (Permitted Securities). The Trading Permission will enable the Client to submit Trading Instructions in respect of the Permitted Securities on the relevant Counter Trading Page, or to request the I-Ex Authorised User to submit such Trading Instruction on the Client's behalf.

(e) Once a Client has been verified for purposes of Rule 6.2, the Client's personal information will be centrally stored in the I-Ex Trading System, and will be available to each other I-Ex Authorised User.

(f) A Client must be verified in relation to each Issuer of Listed Securities that such Client wishes to trade in, and may be required to register with more than one I-Ex Authorised User to the extent that any Issuer has restricted trading in its Listed Securities to certain I-Ex Authorised Users.

(g) The Client will, by entering into the I-Ex Client Mandate Agreement, permit I-Ex to disclose, process and report the personal information of the Client:

(i) if the Client has applied to register with any other I-Ex Authorised User in order for such I-Ex Authorised User to verify the Client for purposes these Rules.

(ii) for purposes of the prevention, detection and reporting of fraud and criminal activities, the identification of the proceeds of unlawful activities and the combating of money laundering activities;

(iii) to comply with an obligation imposed by applicable laws on the I-Ex.

(h) The Client will, by entering into the I-Ex Client Mandate Agreement, agree to I-Ex data protection statement from time to time, which the Client can access at www.i-ex.co.za/legal.html.

5.3 Use of the I-Ex Trading System

(a) All Transactions in Listed Securities must be executed through the I-Ex Trading System.

(b) Orders entered into the I-Ex Trading System are matched as described at 6.9(e).

(c) Despite any other provision of the Rules, I-Ex may:

(i) decide that the market or segments of the market in Listed Securities be paused, suspended, halted or closed if it is of the opinion that a fair and realistic market does not exist;

(ii) reduce or extend the I-Ex Scheduled Trading Hours of the I-Ex Trading System for any particular Business Day;

(iii) without prior notice to any person, pause, suspend, halt or close the I-Ex Trading System for trading at any time and for any period, provided that I-Ex will notify the Authority forthwith of any such, pause, suspension, halt or closure; and

(iv) take such other steps as may be necessary to ensure a fair and orderly market.

(d) Despite any other provision of the Rules, I-Ex may:

(i) if there has been any failure of the I-Ex Trading System, for any reason, or if the I-Ex Trading System has been paused, suspended, halted or closed, subject to the provisions of section 38(3) and section 41 of the FMA, declare that a Transaction in Listed Securities effected through or by the I-Ex Trading System is void. Such declaration shall bind the I-Ex Authorised User and a Client of the I-Ex Authorised User on behalf of whom the relevant Transaction was effected; and

(ii) declare void a Transaction that was effected on the I-Ex Trading System on the basis that such Transaction was fraudulent or there is a reasonable suspicion of fraudulent activity.

5.4 Trading times

(a) Subject to Rule 5.3(c), the I-Ex Trading System will operate during the I-Ex Scheduled Trading Hours, and, in relation to any Listed Securities with limited trading hours, during the hours specified in the Issuer Trading Times.

(b) To the extent that a Client wishes to transact in Listed Securities outside of these times, such Client's Trading Instruction will not be matched and matching will only take place at the commencement of I-Ex Scheduled Trading Hours on the next Business Day.

5.5 Trade cancellations

(a) Despite any other provision of the Rules, I-Ex may, where in its opinion a Transaction has been erroneously matched, grant permission to or instruct the I-Ex Authorised User to execute a trade cancellation.

(b) If, in the opinion of I-Ex, a Transaction materially impacts the integrity or transparency of the market, I-Ex may:

(i) cancel a Trading Instruction; or

(ii) instruct the I-Ex Authorised User to enter a Trading Instruction cancellation without having received a formal request to do so from the I-Ex Authorised User, and the Authorised shall be obliged to effect such cancellation.

5.6 Trading halt

(a) I-Ex may declare a trading halt in Listed Securities in circumstances where I-Ex determines that the trading activity in Listed Securities:

(i) is being or could be undertaken by persons possessing Price Sensitive Information;

(ii) is being influenced by a manipulative or deceptive trading practice; or

(iii) may otherwise give rise to an artificial price for Listed Securities.

(b) No person may trade Listed Securities for the duration of the trading halt.

5.7 State of Emergency

(a) If I-Ex determines that a State of Emergency exists, it may do any or all of the following:

(i) suspend trading in one or more Listed Securities or the I-Ex Trading System at any time and for any period of time;

(ii) direct I-Ex Authorised Users to take, or refrain from taking, a specified action in connection with the affected Listed Securities or the I-Ex Trading System; and

(iii) take, or refrain from taking, any other action which I-Ex considers is appropriate.

(b) For purposes of this Rule **State of Emergency** means any of the following:

(i) fire, power failure or restriction, communication breakdown, accident, flood, embargo, boycott, labour dispute, unavailability of data processing or any other computer system or facility, act of god;

(ii) act of war (whether declared or undeclared) or an outbreak or escalation of hostilities in any region of the world which in the opinion of I-Ex prevents or significantly hinders the operation of the market;

(iii) an act of terrorism; or

(iv) other events which, in the opinion of I-Ex prevents or significantly hinders the operation of the market.

6. PRE-TRADE AND TRADING PROCEDURES AND CLEARING AND SETTLEMENT

6.1 Application

This part of the Rules is applicable to the clearing of Transactions in Listed Securities and the electronic settlement of such Transactions through the I-Ex CSD.

6.2 FICA verification

(a) All the I-Ex Authorised User's Clients must be FICA verified before they are permitted to transact in Listed Securities.

(b) FICA verification refers to the steps that the I-Ex Authorised User must take in terms of FICA to establish and verify the identity of its Client, and, if applicable, any Client Representative FSP.

(c) All documents collected by the I-Ex Authorised User for FICA verification must be stored electronically on the I-Ex Trading System.

(d) The documents referred to in (c) will be made available to all other I-Ex Authorised Users to utilise for that I-Ex Authorised User's FICA verification process.

6.3 Trading on behalf of Clients by an FSP

(a) A Client may wish to appoint an FSP that is not an I-Ex Authorised User as its duly authorised representative to provide Trading Instructions on its behalf and to provide Advice or other financial services to the Client in relation to its dealings in Listed Securities; or

(b) an Issuer that has restricted trading in its Listed Securities to certain I-Ex Authorised User, may permit such I-Ex Authorised Users to allow an FSP to transact on behalf of Clients that have existing relationships with such Clients, in each case, such FSP being a **Client Representative FSP.**

(c) Notwithstanding the appointment of a Client Representative FSP, the I-Ex Authorised User remains responsible for the provision of Trading and Verification Services pursuant to these Rules and for ensuring that the Client and the client Representative FSP complies with these Rules.

(d) The I-Ex Authorised User must, in addition to verifying the Client and the Client Representative FSP pursuant to Rule 6.2, the I-Ex Authorised User must obtain a copy of the written mandate between the Client and the Client Representative FSP and satisfy itself that the Client Representative FSP is duly authorised to give Trading Instructions on behalf of the Client and holds all the appropriate licenses to act as the Client Representative FSP.

6.4 Notifications to Clients

(a) Clients shall be notified by SMS and/or email when certain events take place in the I-Ex Trading System.

(b) The Client may change their communication preferences through an I-Ex Authorised User or on the I-Ex Website.

(c) Events that trigger a notification to the Client include, but are not limited to:

(i) the receipt of a username and password;

(ii) the allocation of a notional amount equal to a cash deposit in an I-Ex Trust Account to a Client's Trading Account;

(iii) the placing of a Trading Instruction in the market;

(iv) the matching of a Trading Instruction in the market;

(v) the allocation of a notional amount equal to the proceeds of a Transaction to a Client's Trading Account;

(vi) the withdrawal/transfer of any amount from a Client's Trading Account;

(vii) the resetting of a Client's password; and

(viii) a change in personal and contact information.

6.5 Maintenance of the registers

(a) The I-Ex CSD is ultimately responsible for maintaining the official registers relating to Listed Securities.

(b) The Transfer Secretary will be responsible for recording any change in the ownership of Certificated Securities in the I-Ex Trading System.

(c) I-Ex and the I-Ex CSD will reconcile their Shareholder records on a daily basis.

6.6 Changes to I-Ex CSDPs

(a) To the extent that I-Ex elects to designate a new CSDP as an I-Ex CSDP, I-Ex will publish a notice to that effect on the I-Ex Website and notify each I-Ex Authorised User in writing, specifying the effective date of such designation, which will not be sooner than one calendar month from the date of such notice.

(b) Each I-Ex Authorised User is required to have a Nominee Account with at least one I-Ex CSDP at all times, failing which such I-Ex Authorised User will be suspended from trading on the I-Ex Trading System until such time as such I-Ex Authorised User has appointed an I-Ex CSDP and opened a Nominee Account.

6.7 Pre-funded model

(a) I-Ex operates on a strict pre-funded principle.

(b) This means that no:

(i) bid to buy in respect of Listed Securities can be submitted on the I-Ex Trading System unless the Client, or the I-Ex Authorised User on the Client's behalf, has deposited the requisite amount of cash into the relevant I-Ex Trust Account to settle the Trading Instruction (including any transaction fees, costs and securities transfer taxes); and

(ii) offer to sell, in respect of Listed Securities, can be submitted on the I-Ex Trading System unless the Client has the requisite amount of unencumbered Listed Securities recorded as available in the Client Trading account. The availability of such Listed Securities will be determined with reference to the Shareholder records maintained by I-Ex.

(c) A notional amount equal to the amount deposited into the relevant I-Ex Trust Account by a Client will be allocated to the relevant Client's Trading Account in the I-Ex Trading System on the Business Day following the day on which the amount reflects in the relevant I-Ex Trust Account.

(d) I-Ex will operate and be responsible for the entire cash flow settlement process.

6.8 Allocation of Clients' funds

(a) **Auto-allocation**

(i) The bank statements pertaining to the I-Ex Trust Account(s) will be downloaded, automatically, on a daily basis into the I-Ex Trading System.

(ii) All Clients must record their unique Client number in the beneficiary reference details section / field prior to transferring or depositing any funds into the relevant I-Ex Trust Account.

(iii) Payments other than electronic funds transfers or cash deposits will not be permitted.

(iv) Interest accruing in respect of funds standing to the credit of the I-Ex Trust Account(s), and allocated to a Client's Trading Account, will be payable to the Client on the first Business Day following the last calendar day of the month, after deduction of the Account Maintenance Fee owing to I-Ex by the Client in respect of that month.

(v) Funds will only be allocated to Trading Accounts belonging to Clients that have been FICA verified.

(vi) If a Client who has not been FICA verified transfers funds into a an I-Ex Trust Account, such funds will remain unallocated until the relevant Client has been FICA verified, at which point the relevant funds will be allocated automatically to the relevant Client's Trading Account.

(b) **Manual allocation**

(i) In the event that a particular transfer into an I-Ex Trust Account cannot, for any reason, be automatically allocated to a particular Client by the I-Ex Trading System, I-Ex will attempt to allocate the relevant value manually.

(ii) Funds that cannot be allocated, automatically or manually, will remain unallocated until such time that a Client alerts I-Ex via their I-Ex Authorised User to the fact that the value of funds deposited are not reflected on the balance of his or her Trading Account.

(iii) Upon receiving an alert from a Client, as described in section 6.8(b)(ii), the I-Ex Authorised User must request the investor/Client number from the Client, any further information that it may need to verify the identity of the Client, as well as the Client's ownership of the unallocated funds.

(iv) The I-Ex Authorised User must provide the information gathered from the Client as described in 6.8(b)(iii) to I-Ex.

(v) If I-Ex is satisfied that the information received from the Client via the I-Ex Authorised User, as set out in section 6.8(b)(iii) and 6.8(b)(iv), would enable an allocation of funds, to I-Ex may manually allocate the relevant value accordingly.

(vi) The value of all deposits manually allocated by I-Ex will remain in a pending status until they have been authorised by I-Ex.

(c) **Confirmation sent to Clients**

(i) An SMS and/or email will be sent to the Client each time the notional value of any funds is allocated to his or her Trading Account either via the manual or automated allocation process.

(ii) A record of all SMSs and emails sent will be kept per Client.

(d) **Control of refunds of Client funds**

(i) It is not the intention of I-Ex to hold Client funds in a relevant I-Ex Trust Account that are not going to be used to purchase Listed Securities. Every Client shall elect, via the I-Ex Website or an I-Ex Authorised User, how long the funds must be held by I-Ex before being refunded to the Client. This period may be between 7 and 365 days and is known as the **holding period**.

(ii) Any cash balance standing to the credit of an I-Ex Trust Account and allocated to a Client's Trading Account will automatically be refunded

into the Client Bank Account based on the holding period if any of the following conditions are satisfied:

(A) there has been no cash activity on the Trading Account for the holding period; or

(B) there has been no Trading Instruction submitted by the Client for the holding period; or

(C) there has been no Trading Instruction cancelled by the Client for the holding period.

6.9 Clearing arrangements / procedures

(a) A Client must specify to the I-Ex Authorised User, directly or via the Counter Trading Page, the specific number of Listed Securities and the price at which they wish to transact. The Client's order will be processed by the I-Ex Authorised User with reference to the amount standing to the credit of the Client's Trading Account, net of all transaction costs, fees and securities transfer tax, and the price of the Listed Securities at that moment in time.

(b) A bid to buy will result in a pending cash trade that will reduce the Client's available balance in his or her Trading Account. If the bid expires or is cancelled then the pending cash transaction will be removed and the notional value will automatically be available in the Client's Trading Account (i.e. the amount of the bid will no longer be pending in the Client's Trading Account).

(c) Clients may not amend a Trading Instruction once it has been placed on the I-Ex Trading System. A Client may only cancel the Trading Instruction and thereafter make a new Trading Instruction.

(d) If a Trading Instruction is cancelled outside of trading times, this cancellation will only be effective at the commencement of I-Ex Scheduled Trading Hours on the next Business Day.

(e) The I-Ex Trading System matches a Trading Instruction using the principle of Price/Time Priority. This process entails the following:

(i) When a Trading Instruction is entered into the matching engine, it is assigned a timestamp. The I-Ex Trading System will use this timestamp to prioritise Trading Instructions at the same price in the matching engine;

(ii) The Trading Instruction entered earliest at the same price limit will be executed first;

(iii) When a subsequent Trading Instruction is entered, the matching engine will first check the price limits of all Trading Instructions contained in the matching engine. If the subsequent Trading Instruction is immediately executable, in other words it can be matched against an existing Trading Instruction(s), then one or more than one partial Transaction will be generated;

(iv) To be immediately executable, the Trading Instruction must have the following attributes:

(A) a bid to buy at a price at or above the lowest offer to sell in the matching engine; and

(B) an offer to sell at a price at or below the highest bid in the matching engine.

(v) Trading Instructions will not necessarily be executed at a single price, but may generate several partial Transactions at different prices. When a large Trading Instruction executes against the total available quantity at a given price level, the next best price level will become "best". This process will continue as long as incoming Trading Instructions remain executable. If not executed upon entry, a Trading Instruction will be held in the matching engine until it can match with an opposite Trading Instruction with the above attributes.

(f) When a Trading Instruction is matched, the I-Ex Trading System will reserve the amount of funds required in respect of the buy order by reducing the available balance in the relevant Client's Trading Account. Similarly, the Listed Securities required to be transferred to the buyer will be reserved, meaning that the seller can no longer load an offer to sell against his reserved sold Listed Securities.

(g) Once a Trading Instruction has been matched, then both the buyer and the seller will be notified and the matched Trading Instruction constitutes a Transaction

(h) The I-Ex Trading System will automatically report matched Transactions at regular intervals during any given Business Day to the I-Ex CSD.

(i) No Client can be both the buyer and seller to the same Transaction.

6.10 Block Trades

(a) Block trades are manually matched Transactions and do not make use of the matching function of the I-Ex Trading System, although these Transactions are recorded on the I-Ex Trading System.

(b) Block trades are processed and managed by I-Ex Authorised Users if they wish to provide this service in terms of the I-Ex Client Mandate Agreement, provided that only Transactions that have an aggregate value greater than R1,000,000, or such other amount as may be approved by I-EX, may be manually matched as a block trade.

(c) Once the buyer and seller of the Listed Securities have agreed on the number and the price of the Listed Securities and this agreement has been communicated to the I-Ex Authorised User(s), the I-Ex Authorised User(s) manually matches this bid to buy and offer to sell.

(d) Once the block trade has been manually matched on the I-Ex Trading System, this block trade will be reported to the market and the I-Ex CSD and the Transaction will be settled in terms of 6.11.

6.11 Settlement arrangements / procedures

(a) **General Rules for settlement**

(i) The I-Ex Trading System will automatically report matched Transactions at regular intervals during any given Business Day to the I-Ex CSD.

(ii) Once the I-Ex CSD has accepted the Transactions from the I-Ex Trading System, the I-Ex CSD will send settlement arrangements for both the buyer and the seller to the I-Ex CSDP.

(iii) The I-Ex CSDP will commit to the I-Ex CSD that:

I. the sellers of Listed Securities holds/owns the Listed Securities in question, and that such Listed Securities are not flagged in accordance with the provisions of Section 39 of the FMA, and

II. the buyers of the Listed Securities have sufficient funds.

(iv) Once the I-Ex CSD has received the commit from the I-Ex CSDP the I-Ex CSD will return a commit confirmation to the I-Ex CSDP.

(v) Once the CSD is ready to settle, the I-Ex CSD will notify the I-Ex CSDP and send a settlement confirmation to the I-Ex CSDP and to I-EX simultaneously.

(vi) The I-Ex CSD will then affect the transfer of the relevant Listed Securities from the seller's I-Ex Authorised Users Nominee Account to the buyer's I-Ex Authorised Users Nominee Account against payment of the proceeds of the Transaction directly to the seller from the funds held in the relevant I-Ex Trust Account, and reserved for such Transaction on behalf of the buyer.

(vii) Settlement on a delivery versus payment basis is effected on a same day basis. I-Ex will record the Transaction in its records after confirmation of the transfer from the I-Ex CSD.

(viii) Settlement is secure and considered to be both final and irrevocable.

(ix) The official register maintained by the I-Ex CSD will be reconciled daily to the copy of the securities register maintained by I-Ex and the records of the I-Ex CSDP.

(b) **Payment of proceeds**

(i) I-Ex shall make payments from the relevant I-Ex Trust Accounts to Clients in accordance with this Rule 6.10(b).

(ii) Payment of proceeds in respect of a Transaction to the Client's Bank Account or the withdrawal of value from the Client's Trading Account to the Client's Bank Account can take place by way of two mechanisms:

(A) Instruction on sale of Listed Securities: In terms of this Rule, the Client is required to indicate to the I-Ex Authorised User whether or not he or she:

I. wishes for the notional value of the proceeds of a Transaction to be allocated in his or her Trading Account, or

II. would prefer part of the proceeds to be transferred to the Client Bank Account and the notional value of the remaining balance of the proceeds to be allocated to the Client Trading Account, or

III. would prefer all the proceeds to be transferred to the Client Bank Account.

(B) Ad hoc Instructions to withdraw part of or all of the notional balance: These instructions are provided against the actual available balance in the Client Trading Account.

(iii) Payment instructions may be given by Clients to I-Ex Authorised Users telephonically or via the Counter Trading Page on the I-Ex Website.

(iv) Payments that need to be made to Clients will be batched every evening after close of the I-Ex Scheduled Trading Hours to effect payment to the various Clients' Bank Accounts.

(v) Funds will reflect in the Client Bank Account within five Business Days after the receipt of the Client's instruction and/or the date of the Transaction.

(c) **Failed payments**

(i) Payments to Clients may fail due to Client Bank Accounts being closed or bank details being invalid.

(ii) When this happens, the Client will be notified of any failed payments from the previous Business Day's payment batch before 10h00 on each Business Day and the I-Ex Trading System will automatically allocate the proceeds of the failed payments back to the relevant Client's Trading Account which will reflect on the following day's trading account statement.

(iii) No subsequent payments to the Client will be attempted until his or her updated banking details have been received and verified by the I-Ex Authorised User.

(iv) Once the Client's bank details have been updated and verified the Client will then be permitted to request the withdrawal the value from the Client Trading Account.

(d) Dividends, Interest and/or other entitlements

(i) When an Issuer declares a dividend, interest or other entitlement payable pursuant to the relevant I-Ex Listing Requirements or I-Ex Securities Listing Requirements, I-Ex will inform the I-Ex Authorised User(s) and Transfer Secretary of the details of the dividend, interest or other entitlement. These details will include the declaration date, the last date to trade cum dividend, interest or entitlement (LDT), the payment date and the amount of the dividend, interest or entitlement per Security.

(ii) The I-Ex Authorised Users will communicate the details of the dividend, interest or entitlement to all its Clients holding any relevant Listed Securities of that Issuer, either via the Internet, bulk SMS, email and/or post and upload that information and each Client's corresponding payment amount into the I-Ex Trading System.

(iii) Based on the information uploaded into the I-Ex Trading System, I-Ex will notify the Issuer of the total amounts payable by the Issuer to the Nominees of the relevant I-Ex Authorised Users, as the registered owners of the relevant Listed Securities, in respect of the dividend, interest or entitlement.

6.12 Compensation Arrangements

I-Ex Insurance Policy

(a) I-Ex shall maintain, to the satisfaction of the Authority, an insurance policy out of which shall be paid claims up to an amount specified in such insurance policy in respect of liabilities arising prior to the default of an I-Ex Authorised User. Such payment shall be limited to claims arising out of transactions in Listed Securities with or on behalf of other persons by such I-Ex Authorised Users executed through the I-Ex Trading System and such other liabilities as may be specified in the terms of the I-Ex Insurance Policy.

(b) I-Ex shall be entitled to determine a levy to be payable by every I-Ex Authorised User to I-Ex on all Transactions, in order to fund any premiums due to the provider of the I-Ex Insurance Policy.

(c) Where an I-Ex Authorised User has effected a Transaction on behalf of a Client, such I-Ex Authorised User may recover the levy imposed in terms of Rule 6.12 from such Client.

7. MARKET CONDUCT

7.1 Prevention and detection of market abuse

(a) An I-Ex Authorised User must give consideration to the circumstances of Trading Instructions placed by Clients and must take reasonable steps to satisfy itself that such Trading Instructions and any resultant Transactions will not result in a breach of the provisions of the FMA or these Rules. The Authorised User must be so satisfied before entering such Trading Instructions in the I-Ex Trading System on behalf of a Client.

(b) The I-Ex Authorised User must ensure that all of its employees who are involved in the receipt of Trading Instructions from Clients and the execution of Transactions in Listed Securities on the I-Ex Trading System are familiar with the market abuse provisions in the FMA and that those employees receive adequate training and guidance to enable them to recognise and avoid entering into any Transaction on behalf of the I-Ex Authorised User or its Clients which will result in, or is likely to result in, a breach of those provisions.

(c) The I-Ex Authorised User's monitoring procedures must specifically include procedures to monitor Trading Instructions entered into, and Transactions executed on, the I-Ex Trading System by the I-Ex Authorised User and its employees, with the objective of identifying and taking appropriate action in relation to Trading Instructions or Transactions that, in the reasonable opinion of the I-Ex Authorised User may constitute a breach of the provisions of sections 78 and 80 of the FMA.

(d) In formulating and implementing the compliance monitoring procedures referred to in Rule 7.1(c), the I-Ex Authorised User is not expected to monitor every Trading Instruction entered into, and every Transaction executed on, the I-Ex Trading System by the I-Ex Authorised User, for the purpose of identifying potential market abuse. Nevertheless, whilst the I-Ex Authorised User is encouraged to implement monitoring procedures to detect any activity undertaken by the I-Ex Authorised User's employees or its Clients which may constitute a breach of the provisions of sections 78 and 80 of the FMA, the procedures should, as a minimum, aim to detect activity which, to a reasonable person observing or reviewing such activity, would constitute a breach of the provisions of sections 78 and 80 of the FMA taking into account all relevant factors such as:

(i) the identity of the parties to the Transaction;

(ii) the perceived intention of the parties to the Transaction;

(iii) the frequency and pattern of Transactions over a period of time;

(iv) the effect of the Transaction on market prices or volumes;

(v) the size and timing of the Transaction; or

(vi) a combination of these factors.

8. BUSINESS CONDUCT

8.1 General standards of conduct

This Rule provides for the general standards of conduct which the I-Ex Authorised User is required to observe in its dealings with Clients and I-Ex.

(a) **Standards of integrity**

(i) The I-Ex Authorised User must, in the conduct of its business, observe high standards of integrity and fair dealing. It must:

(A) not knowingly circulate information which is false or misleading;

(B) not knowingly countenance any attempt to manipulate the market, nor to influence persons for such a purpose;

(C) conduct its activities in a manner that is compatible with the objects of the FMA and with full respect for the reputation of I-Ex.

(b) **General conduct towards Clients**

(i) In its dealings with Clients, the I-Ex Authorised User must:

(A) act honestly and fairly;

(B) act with due skill, care and diligence, and in the interests of Clients;

(C) exercise independent professional judgement;

(D) execute all Trading Instructions on behalf of a Client in accordance with best execution principles, taking reasonable care to obtain the result which is the best available for the Client provided that the I-Ex Authorised User must at all times act in accordance with the I-Ex Client Mandate Agreement;

(E) act promptly on and in accordance with the instructions of a Client, and exercise any discretion in a responsible manner;

(F) not deal as a principal with a Client, unless the I-Ex Authorised User has obtained the prior consent of the Client; and

(G) avoid conflicts of interest and when they cannot be avoided, ensure fair treatment to Clients by disclosure, confidentiality or declining to act.

(c) **I-Ex Authorised User Fees**

An I-Ex Authorised User may charge a fee for different categories of Transactions.

(d) **Disclosure to Clients**

(i) In rendering a service to a Client, any representations made and information provided by the I-Ex Authorised User:

(A) must be factually correct;

(B) must be provided in plain language, avoid uncertainty or confusion and not be misleading;

(C) must be adequate and appropriate in the circumstances of the particular service, taking into account the factually established or reasonably assumed level of knowledge of the Client;

(D) must, as regards to all amounts, sums, values, charges, fees, remuneration or monetary obligations mentioned or referred to therein, be reflected in specific monetary terms, provided that where any such amount, sum, value, charge, fee, remuneration or monetary obligation is not reasonably pre-determinable, its basis of calculation must be adequately described;

(E) need not be duplicated or repeated to the same Client unless material or significant changes affecting that Client occur, or the relevant service renders it necessary, in which case a disclosure of the changes must be made to the Client without delay.

(ii) The I-Ex Authorised User:

(A) must disclose full and accurate information about the fees and any other charges that may be levied on Clients;

(B) may not disclose any confidential information acquired or obtained from a Client about such Client, unless the written consent of the Client has been obtained beforehand or disclosure of the information is required to further the objects of the FMA or is required under any law;

(C) must advise a Client in advance of any restrictions or limitations that may affect the access of that Client to their assets.

8.2 Maintenance of Client records

(a) The I-Ex Authorised User must maintain proper, complete, accurate and secure records in relation to the Trading and Verification Services rendered to its Clients in respect of any Listed Securities.

(b) The I-Ex Authorised User must have appropriate procedures and systems in place and must use the I-Ex Trading System to store and retrieve a record of all:

(i) communications relating to a Trading and Verification Service rendered to a I-Ex, including instructions given by the Client to the I-Ex Authorised User;

(ii) Transaction documentation relating to Clients;

(iii) contractual arrangements between the I-Ex Authorised User and its Clients, and

(iv) Client particulars required to be provided in terms of the Rules or which are necessary for the effective operation of Client Trading Accounts.

(c) I-Ex Authorised Users must be capable of making voice recordings available for inspection by I-Ex within seven days.

(d) All instructions given by Clients to execute Transactions must be kept for a period of at least 12 months after the conclusion of the relevant Transactions and all other Client records in Rule 8.2(b) must be kept for at least five years after the rendering of the services concerned.

8.3 Contact with the I-Ex Authorised User

The I-Ex Authorised User must provide for the necessary resources and functionality to ensure that Clients are able to readily contact the I-Ex Authorised User.

8.4 Co-operation with regulators

The I-Ex Authorised User shall deal with I-Ex as its regulator in an open and co-operative manner and keep I-Ex promptly informed of anything concerning I-Ex which might reasonably be expected by I-Ex to be disclosed to it. The I-Ex Authorised User shall also provide reasonable co-operation to any other regulatory body or any law enforcement agency in respect of any matters which are the subject of an investigation by such body or agency relating to an alleged contravention of the FMA or any other law governing the activities of the I-Ex Authorised User.

8.5 Marketing and advertising

(a) The I-Ex Authorised User may advertise its Trading and Verification Services to the public, provided such advertising:

(i) is carried out with a due sense of responsibility to I-Ex and to the public;

(ii) is in good taste both as to content and presentation; and

(iii) conforms with the accepted norms of legality, decency, honesty and truthfulness; and

(iv) does not use Client's personal information.

(b) Advertising material of the I-Ex Authorised User as it pertains to I-Ex or any Trading and Verification Services:

(i) must provide accurate, complete and unambiguous information;

(ii) must emphasise the risk of loss and uncertainty of future results; and

(iii) must discern fact from opinion.

(c) **Use of name and logo**

An I-Ex Authorised User shall not use in publicity, promotional or advertising material, or on its professional stationery, or on its nameplates, or on its office premises, any designation referring to I-Ex other than a designation recognised by I-Ex and shall record the fact that it is an "I-Ex Authorised User of I-Ex".

8.6 Unsolicited calls

The I-Ex Authorised User may enter into a Transaction with or on behalf of a person where the Transaction is as a result of an unsolicited call, provided that the I-Ex Authorised User has complied with the requirements set out in Rule 8.1(c).

8.7 Client acceptance and maintenance procedures

(a) The I-Ex Authorised User shall ensure that it obtains and maintains sufficient information on each Client Trading Account and each account operated by a Client so as to be able to identify:

(i) the Client;

(ii) the Client Representative FSP, if applicable;

(iii) the other person or persons responsible for placing instructions on the account, subject to Rule 8.7(d); and

(iv) that the Client at all times qualifies to own I-Ex Listed Securities in accordance with any Issuer Rules.

(b) As a minimum, the I-Ex Authorised User shall obtain the following information in respect of each Client and any person contemplated in 8.7(a)(ii) or 8.7(a)(iii) above:

(i) full name; and

(ii) identity number or registration number, as the case may be.

(c) In addition to Rule 8.7(b), the I-Ex Authorised User shall also obtain the following information in respect of each Client:

(i) residential and postal address;

(ii) home and work telephone number;

(iii) fax numbers;

(iv) cell phone numbers;

(v) income tax numbers; and

(vi) legal status of the Client, identifying whether they are a:

(A) private individual;

(B) company;

(C) close corporation;

(D) private trust;

(E) partnership; and

(F) any other non-incorporated vehicle.

(d) The information referred to in Rules 8.7(b), 8.7(c)(i) and 8.7(c)(iv) shall also be obtained in respect of the person or persons authorised to provide any instructions, including Trading Instructions and payment instruction, on behalf of a Client.

(e) The information referred to in Rules 8.7(c) to 8.7(d) together with any bank account details provided by the Client, shall be confirmed by the Client in writing and the I-Ex Authorised User shall maintain a record of such confirmation. Any changes to the said information shall be advised by the Client in writing to the I-Ex Authorised User as soon as practicable.

8.8 Transactions

(a) The I-Ex Authorised User shall transact its business in a just and equitable manner and every Transaction must be fulfilled according to the FMA and these Rules.

(b) An I-Ex Authorised User shall not transact in Listed Securities using the services of an inter-dealer broker or act as an inter-dealer broker in respect of Listed Securities.

(c) The I-Ex Authorised User represents and warrants to I-Ex and to persons with or on behalf of whom the I-Ex Authorised User executes Transactions in Listed Securities, that any person employed by the I-Ex Authorised User to deal with such persons in relation to such Transactions, has full authority to act on the I-Ex Authorised User's behalf.

(d) The I-Ex Authorised User must record any telephone conversation between the I-Ex Authorised User, one of its employees and any Client or potential Client. Such voice recordings or transcripts may be submitted in evidence in any disciplinary proceedings involving the I-Ex Authorised User or one of its employees' Complaints and disputes.

8.9 Contract Notes

(a) In respect of a Transaction in Listed Securities executed through the I-Ex Trading System, I-Ex will transmit to the Client via electronic means, a contract note.

(b) The contract note referred to in (a) shall disclose:

(i) The date and time of the Transaction;

(ii) The identification number of the Transaction;

(iii) The amount and nature of the charges in connection with the Transaction;

(iv) The price at which the Transaction was executed and the total consideration paid from or to the Client;

(v) The settlement date of the Transaction; and

(vi) The name of the I-Ex Authorised User in the Transaction.

8.10 Client statements

Clients may access statements by logging onto the I-Ex Website or contacting their I-Ex Authorised User to provide a statement.

9. COMPLAINTS AND DISPUTES

9.1 Complaints

(a) **Client complaints**

(i) For the purposes of this section of the Rules, a Client complaint is defined as a complaint in relation to the provision of Trading and Verification Services, in which the Client alleges that he or she has suffered, or is likely to suffer, financial prejudice as a result of the I-Ex Authorised User:

(A) contravening or failing to comply with any instruction given by the Client, or the Client Mandate Agreement entered into with the Client;

(B) contravening or failing to comply with the Rules;

(C) acting dishonestly, negligently or recklessly; or

(D) treating the Client unreasonably or unfairly; and

(E) failing to comply with FAIS, the FMA or any other applicable legislation.

(ii) The I-Ex Authorised User must establish and maintain appropriate procedures for the handling of Client complaints, subject to periodic reviews by I-Ex.

(b) **Internal complaint handling procedures**

(i) The I-Ex Authorised User's internal complaint handling procedures must provide for:

(A) the receipt of written complaints;

(B) the reduction of oral complaints to written format;

(C) the appropriate investigation of complaints;

(D) an appropriate decision-making process in relation to the response to a Client complaint;

(E) notification of the decision to the Client; and

(F) the recording of complaints.

(ii) The I-Ex Authorised User's internal complaint handling procedures must be designed to ensure that:

(A) all complaints are handled fairly, effectively and promptly;

(B) recurring or systemic problems are identified, investigated and remedied;

(C) the number of unresolved complaints referred to I-Ex are minimised;

(D) complaints are investigated by an employee of sufficient competence who, where appropriate, was not directly involved in the matter which is the subject of a complaint;

(E) the employee responsible for the resolution of complaints has the necessary authority to resolve complaints or has ready access to an employee who has the necessary authority; and

(F) relevant employees are aware of the I-Ex Authorised User's internal complaint handling procedures and comply with them.

(c) **Timeous response to complaints**

(i) The I-Ex Authorised User must acknowledge receipt of the complaint in writing within one Business Day of its receipt and respond to a Client complaint within 5 Business Days of receiving the complaint in terms of Rule 9.1(b)(i)(A) or, within such period, provide the complainant with an appropriate explanation as to why the I-Ex Authorised User is not, at that time, in a position to respond and must indicate by when the I-Ex Authorised User will respond.

(ii) If the complaint cannot be resolved within a further 10 Business Days, the complainant must be notified in writing by the I-Ex Authorised User of the reasons why it is unable to respond and in such circumstances the complaint will be deemed to be an unresolved Client complaint in terms of 9.1(f).

(d) **Redress**

(i) Where the I-Ex Authorised User decides that redress in the form of compensation is appropriate in resolving a complaint, the I-Ex Authorised User must provide the complainant with fair compensation and must comply with the terms of any offer of compensation made by it which the complainant accepts.

(ii) Where the I-Ex Authorised User decides that redress in a form other than compensation is appropriate in resolving a complaint, the I-Ex Authorised User must provide the redress as soon as practicable.

(e) **Recording of complaints**

(i) The I-Ex Authorised User must maintain a record of all Client complaints. The record of each complaint must include:

(A) the identity of the complainant;

(B) the substance of the complaint;

(C) all correspondence in relation to the complaint;

(D) the date on which such complaint was lodged; and

(E) the date on which such complaint was resolved.

(ii) The records referred to in Rule 9.1(e)(i) must be retained by the I-Ex Authorised User for a period of five years from the date of receipt of the complaint and these records must be provided to I-Ex within seven Business Days upon written request.

(f) **Unresolved Client complaints**

(i) A Client complaint will be deemed to be unresolved if the complainant is not satisfied with the resolution of the complaint proposed by the I-Ex Authorised User or if the I-Ex Authorised User is unable to resolve the dispute in a timeous manner as set out in 9.1(c)(ii).

(ii) A complainant may lodge an unresolved complaint, in writing, with I-Ex, giving full particulars of the matter concerned.

(iii) In order for an unresolved complaint to be considered by I-Ex, the complaint must be lodged with I-Ex within 10 Business Days of the receipt by the complainant of the I-Ex Authorised User's response referred to in Rule 9.1(b)(ii)(F) and within a reasonable time of the conduct by the I-Ex Authorised User giving rise to the complaint.

(iv) An unresolved complaint which is lodged subsequent to the period referred to in Rule 9.1(f)(iii) will be considered, provided that failure to lodge the complaint within the relevant period was through no fault of the Client.

(v) I-Ex may request the I-Ex Authorised User and the complainant to provide copies of all relevant correspondence and documentation that is required to review the complaint.

(vi) I-Ex will endeavour to facilitate a resolution of the complaint between the I-Ex Authorised User and the complainant.

(vii) If I-Ex is unable to facilitate a resolution of the complaint within a reasonable time of lodgement of the complaint with it, the unresolved compliant will be dealt with in accordance with the Arbitration provisions referred to below.

9.2 Arbitration

(a) All disputes which cannot be settled by the I-Ex Authorised User or I-Ex as described in 9.1, and subject to 9.1(f), shall be finally determined in accordance with the Commercial Arbitration Rules of AFSA, except as explicitly provided for in 9.2(f).

(b) The parties to the dispute shall agree on the arbitrator who shall be an attorney or senior advocate (with at least 10 years' experience) on the panel of arbitrators of AFSA. If agreement is not reached within 10 Business Days after any party calls in writing for such agreement, the arbitrator shall be an attorney or senior advocate with at least 10 years' experience nominated by the Chairperson of AFSA for the time being.

(c) The request to nominate an arbitrator shall be in writing outlining the nature of the dispute and, if desired, suggesting suitable nominees for appointment as arbitrator, and a copy shall be further to the other parties who may, within 7 days, submit written comments on the request to the addressee of the request with a copy to the first party.

(d) The arbitration shall be held in Johannesburg and the parties shall endeavour to ensure that it is completed within 90 days after the notice requiring the claim to be referred to arbitration is given.

(e) The parties irrevocably agree that any decisions and awards of the arbitrator:

(i) shall be binding on them;

(ii) shall be carried into effect; and

(iii) may be made an order of court of competent jurisdiction.

(f) Nothing in this 9.2 shall prohibit a party from approaching any court of competent jurisdiction for urgent relief pending the determination of the dispute by arbitration. In respect of such proceedings, each of the parties specifically consents to the non-exclusive jurisdiction of the High Court of South Africa (Gauteng Local Division, Johannesburg).

(g) The parties to any dispute resolution proceeding in terms of Rule 9.2 may be required to pay to I-Ex, before the proceedings commence such amount as I-Ex may determine as a deposit to cover a portion of the costs of the proceedings.

9.3 Limitation of liability

Subject to Section 72 of the FMA and any other Applicable Laws, no officer, employee or representative of I-Ex shall be liable for any loss sustained by, or damage caused to any person as a result of anything done or omitted by them in the bona fide or negligent performance of any function under or in terms of these Rules.

9.4 I-Ex Authorised User complaints against I-Ex

(a) If the I-Ex Authorised User wishes to lodge a complaint against I-Ex in respect of the exercise by I-Ex of any exchange functions in terms of section 10 of the

FMA and the I-Ex Authorised User requires a written response to its complaint, the I-Ex Authorised User must lodge the complaint in writing with I-Ex, marked for the attention of the Chief Executive Officer. I-Ex will respond to any complaint received within one calendar month of receipt of the complaint.

(b) If the I-Ex Authorised User wishes to lodge a complaint against I-Ex in respect of conduct by I-Ex which, in the opinion of the I-Ex Authorised User, evidences a failure by I-Ex to comply with its regulatory responsibilities under the FMA, the I-Ex Authorised User should lodge the complaint in writing with the Authority.

10. SUPERVISION AND ENFORCEMENT

10.1 Surveillance and investigation by I-Ex

(a) Surveillance

(i) I-Ex may set up and maintain such systems and procedures as it deems appropriate for:

(A) monitoring compliance by the I-Ex Authorised User with the FMA and the Rules;

(B) the surveillance of any matter relevant for the purposes of the FMA and the Rules; and

(C) supervising compliance by the I-Ex Authorised User with FICA.

(b) **Investigation**

(i) I-Ex, and any person designated by it, may:

(A) investigate any I-Ex related activities of the I-Ex Authorised User or an employee of the I-Ex Authorised User;

(B) investigate whether the I-Ex Authorised User or any of its employees complies with the FMA, the Rules and/or FICA;

(C) investigate whether the I-Ex Authorised User is trading in such a manner that there is a danger that the I-Ex Authorised User may not be able to meet its commitments to Clients or a settlement system;

(D) investigate whether the I-Ex Authorised User is conducting its business in a manner which could be detrimental to the interest, good name or welfare of I-Ex; and

(E) require any person who is subject to the jurisdiction of I-Ex and who is believed to be able to furnish any information on the subject of any investigation or to have in his or her possession or under his or her control any book, document, tape or electronic record or other object which has a bearing on the subject of the investigation, to produce such book, document,

tape or electronic record or other object or to appear at a time and place specified, to be questioned by any of the abovementioned persons, to furnish such information or to produce such book, document, tape, electronic record or other object, provided that the subject of the investigation has first been put to such person.

(ii) I-Ex may delegate the power granted to it in terms of Rule 10.1(b)(i) to any member of its staff.

(c) **Reporting and assistance by I-Ex – FICA**

I-Ex will report to the Authority any non-compliance by the I-Ex Authorised User and its employees with the duties imposed on the I-Ex Authorised User and its employees in terms of FICA, if I-Ex becomes aware of such non-compliance through the surveillance and investigation procedures undertaken in terms of Rule 10.1. I-Ex will also assist the Authority in any enforcement action that may be taken by the Authority against the I-Ex Authorised User or its employees in relation to non-compliance with FICA.

(d) **Use of information obtained by the I-Ex and referral to another authority**

(i) Any information, document, book, tape or electronic record or other object obtained by I-Ex, whether by investigation or otherwise, may be used in evidence in any disciplinary proceedings contemplated in Rule 10.3 and may be furnished by I-Ex to any other body which may have jurisdiction over the matter under consideration, whether outside or within South Africa.

(ii) If I-Ex becomes aware of any possible contravention of law by a person over whom I-Ex does not have jurisdiction, I-Ex may refer such matter to the appropriate authority or authorities, whether outside or within South Africa.

10.2 Improper conduct

The following acts and practices whether of commission or omission on the part of the I-Ex Authorised User or employee of the I-Ex Authorised User shall constitute improper conduct, provided that the acts and practices so specified are not intended to be a complete list of acts and practices which may constitute improper conduct:

(a) committing or attempting to commit any act which is dishonest or fraudulent;

(b) being a party to, or facilitating or conducting a Transaction which is fictitious or has a dishonest or unlawful motive;

(c) contravening, attempting to contravene, or failing to comply with any one or more provision of the FMA or the Rules;

(d) negligently or recklessly conducting the business or affairs of the I-Ex Authorised User in such a way that actual or potential prejudice is, or may be, caused to I-Ex, a Client of the I-Ex Authorised User or the general public. The failure by the I-Ex Authorised User to introduce appropriate and reasonable

safeguards or controls to avoid such prejudice may be treated, where appropriate, as constituting either negligence or recklessness;

(e) committing or attempting to commit any act which is detrimental to the interest, good name or welfare of I-Ex;

(f) knowingly obstructing the business of I-Ex; and

(g) failing, when requested, to assist I-Ex in the exercise of its duties, including but not limited to, failure without sufficient cause to provide information in accordance with Rule 10.1(b)(i)(E).

10.3 Disciplinary procedures

(a) Conclusion of investigation

(i) On conclusion of any investigation in terms of Rule 10.1(b) and if, after having considered all the relevant information in its possession, if I-Ex is of the opinion that it considers the alleged conduct to be so serious so as to warrant a penalty, suspension or termination of membership or employment with the I-Ex Authorised Users, it may bring a formal charge against the person (the **respondent**) in an appropriate format (which charge sheet may make provision for an admission of guilt) and refer the matter to the Disciplinary Committee.

(ii) A respondent:

(A) may, if the respondent is given an opportunity to sign an admission of guilt, admit guilt to such charges within the period set out in the charge sheet; or

(B) may within 10 Business Days of receipt of the charge sheet request particulars to the charges, to which I-Ex must respond within 10 Business Days of receipt of such request; and

(iii) Thereafter the chairperson of the Disciplinary Committee shall determine the date on which the charges shall be heard, which date shall not without good reason be later than 1 month after the charge sheet was served on the respondent.

(iv) No extension of the time periods set out in Rule 10.3(a)(i), including the date for the hearing of the charges, shall be allowed without good reason. Furthermore, no such extension shall be allowed without the consent of the chairperson of the Disciplinary Committee.

(b) Disciplinary Committee

(i) The Disciplinary Committee shall consist of three persons as determined in terms of (ii).

(ii) The members of a Disciplinary Committee shall be:

(A) one person appointed by I-Ex;

(B) one person appointed by the I-Ex Authorised User; and

(C) one person chosen by the other two appointed persons, which third person shall act as the chairperson of the Disciplinary Committee.

(iii) If within 20 Business Days of the appointment of the two Disciplinary Committee Members, these two Disciplinary Committee Members have failed to choose a chairperson of the Disciplinary Committee, then the chairperson will be appointed by the Chairperson of AFSA.

(iv) A Disciplinary Committee may at any time co-opt additional members for the Disciplinary Committee, whenever it deems such additional appointments to be necessary and appropriate.

(v) A Disciplinary Committee may:

(A) issue instructions to the respondent whose conduct or omission is under consideration concerning action which must be taken, or not be taken, to remedy the matter referred to the Disciplinary Committee;

(B) warn, reprimand, censure or impose a fine (with or without ordering that a contribution be made towards I-Ex's costs) on any person who has, in the reasonable opinion of the Disciplinary Committee, been guilty of improper conduct;

(C) in relation to an employee of the I-Ex Authorised User, direct the I-Ex Authorised User to conduct a disciplinary enquiry into the acts or omissions of such person;

(D) direct the I-Ex Authorised User to ensure that any sanction imposed on an employee of the I-Ex Authorised User is complied with by such employee;

(E) direct the I-Ex Authorised User to prevent or relieve an employee of the I-Ex Authorised User from carrying out any specified activity, function or duty for such reasonable period as the Disciplinary Committee deems appropriate.

(c) Procedure and evidence – Disciplinary Matters

(i) Any charges preferred shall be decided on a balance of probabilities.

(ii) In a hearing before a Disciplinary Committee:

(A) the chairperson of the Disciplinary Committee shall decide all matters of law which may arise during the hearing, and whether any matter constitutes a question of law or a question of fact, but all three members of the Disciplinary Committee shall by a simple majority decide all other matters arising during the hearing;

(B) the chairperson of the Disciplinary Committee shall determine the procedure which the Disciplinary Committee shall follow both in respect of preliminary issues and in respect of the hearing itself, subject to the Rules and to the principles of natural justice;

(C) I-Ex may instruct attorneys or counsel to prefer and prosecute the charges on behalf of I-Ex, or the charges may be prosecuted by an employee of I-Ex; and

(D) the respondent is entitled to be legally represented at the respondent's own cost.

(iii) If a respondent without good cause fails to attend a hearing before a Disciplinary Committee at the time and place stated in the charge sheet, the Disciplinary Committee may proceed with its consideration of the charge in the absence of the respondent.

(iv) If, at any stage during a hearing before the Disciplinary Committee, one or more of the members of the committee hearing the matter dies or retires or becomes otherwise incapable of acting or is absent, the hearing shall, where the remaining members constitute a majority of the body before whom the hearing was commenced, proceed before such remaining members and, provided that the remaining members are in agreement, their finding shall be the finding of the body concerned. In any other case, the matter shall be heard de novo.

(v) If a Disciplinary Committee finds a respondent guilty of an offence, the Disciplinary Committee shall have the powers set out in and shall apply Rule 10.3(b)(v).

(vi) A person charged is entitled to be supplied with a record of the hearing of such charges, and any person who has made oral representations is entitled to be supplied with a record of that portion of the proceedings which related to that person's oral representations.

(d) Disciplinary matters – Penalties

(i) When any person has been found guilty of improper conduct by a Disciplinary Committee pursuant to the Rules, the Disciplinary Committee:

(A) may warn or impose a reprimand, censure or fine upon the respondent, which fine shall in respect of each contravention not exceed R5 million, or such other amount as may be stipulated in the FMA;

(B) shall in determining an appropriate penalty take into account:

I. any previous conviction in terms of the Rules or in a court of law;

II. the harm or prejudice which is caused by the offence;

III. any other aggravating or mitigating circumstances; and

IV. where it is possible that the admission of the respondent may be terminated, the representations of such person in this regard;

(C) may, on such conditions as the Disciplinary Committee may deem fit, terminate the admission of the I-Ex Authorised User or in the case of an employee of the I-Ex Authorised User, require the I-Ex Authorised User to hold a disciplinary enquiry to consider terminating or suspending the employment of such person;

(D) may direct the I-Ex Authorised User to prevent or relieve an employee of the I-Ex Authorised User from carrying out any specified activity, function or duty for such reasonable period as the Disciplinary Committee deems appropriate;

(E) may direct an I-Ex Authorised User to ensure that any sanction imposed by the Disciplinary Committee on an employee of the I-Ex Authorised User is complied with by such employee;

(F) may make a fair and reasonable order as to costs; and

(G) may order that particulars of the offence and finding of the Disciplinary Committee and the penalty imposed be published, provided that if publication is ordered, the respondent shall be given an opportunity to make representations to the Disciplinary Committee in this regard.

(ii) A Disciplinary Committee may impose any one or more of the penalties referred to in Rule 10.3(d)(i).

(iii) Any penalty or part thereof may be suspended on such conditions as the Disciplinary Committee may determine.

(iv) If the I-Ex Authorised User or an employee of the I-Ex Authorised User fails to pay any fine imposed by a Disciplinary Committee, within 30 days after being informed of the amount of the fine, I-Ex may, after serving notice of not less than 14 days on such person, calculated from the expiration of the last of the 14 days within which payment must be made:

(A) recover such fine from such I-Ex Authorised User or employee, as the case may be, in a court of competent jurisdiction;

(B) terminate the admission of the I-Ex Authorised User on such conditions as I-Ex may deem fit, or in the case of an employee of the I-Ex Authorised User, require the I-Ex Authorised User to hold a disciplinary enquiry to consider terminating or suspending the employment of such person; and/or

(C) direct the I-Ex Authorised User to prevent or relieve an employee of the I-Ex Authorised User from carrying out any

specified activity, function or duty for such reasonable period as I-Ex deems appropriate.

(v) A Disciplinary Committee may, upon good cause shown and subject to such conditions as the Disciplinary Committee may impose, vary or modify any penalty which it may have previously imposed on any person provided that in modifying or varying such penalty, the Disciplinary Committee shall under no circumstances increase such penalty.

(vi) A report of the findings of a Disciplinary Committee will be forwarded to the Authority, by I-Ex, within 30 days after the completion of the proceedings.

(e) I-Ex's powers of publication

(i) I-Ex may in its discretion and in such manner as it may deem fit, notify the public of any fact that I-Ex considers to be in the public interest, including, but not limited to, the name of the I-Ex Authorised User or employee of the I-Ex Authorised User who has been found guilty of any charge and of the sentence imposed on such person.

(ii) No action or other proceeding shall in any circumstances be taken by the I-Ex Authorised User or employee of the I-Ex Authorised User referred to in any notification referred to in Rule 10.3(e)(i) against I-Ex or any person publishing or circulating the same.