

CHAPTER 2

Sponsors and Their Responsibilities

This Chapter ~~contains~~ supplies the requirements relating information as it relates to Sponsors and the Sponsor's responsibilities to the Issuer and the Listing Authority (LA) ~~during the listing process~~.

Introduction and General Information

- 2.1 ~~An Applicant applying for a primary listing of its Securities~~Equity Securities which requires the production of a Prospectus~~Prospectus or equivalent document must be required to appoint a Sponsor, on other than a~~
~~Public Sector Issuer or an Issuer issuing Specialist Securities seeking authorisation for Admissibility to Listing~~which requires the production of a prospectus or equivalent document must appoint a Sponsor, to conduct the application process on its behalf. An Applicant shall inform the Listing Authority of such appointment when:
- 2.1.1 ~~it prepares any application for Admissibility to listing which requires the production of a Prospectus; or~~
- 2.1.2 ~~in relation to any matter a Sponsor is required to report to the Listing Authority.~~
- 2.2 ~~Public Sector Issuers~~Issuers ~~and Issuers of debt securities and derivatives~~derivative securities ~~are not required to appoint a Sponsor.~~Sponsor.
- 2.2 ~~Sponsors must comply with all Listing Rules applicable to them.~~
- 2.3 ~~An Issuer must comply with the provisions of this chapter at all times.~~
- 2.4 ~~Once a Security is authorised as Admissible to Listing and remains on a Recognised List, the Issuer shall be responsible for ensuring compliance with the continuing obligations of these Listing Rules.~~
- 2.35 ~~The Applicant~~Applicant ~~must shall~~ ensure that, up to the time of listing, all communications and/or meetings with the Listing Authority are made through its Sponsor, (see Listing Rule 2.1).
- 2.4 ~~The Listing Authority attaches particular importance to the Sponsor's role in satisfying itself that the Securities~~Securities ~~in respect for which an application has been made in terms of Chapter 5 of these Listing Rules are suitable for authorisation for Admissibility to Listing.~~

Qualifications and obligations of a Sponsor¹

- 2.5 ~~A Sponsor appointed under this Chapter must:~~shall:
- 2.5.1 ~~be licensed with in possession of a Category II or III licence in terms of the Investment Services Act or exempt from authorisation in terms of regulations issued under the Investment Services Act or authorised to provide investment services under Directive 2004/39/EC;~~
- 2.5.2 ~~be independent of the Issuer;~~
- 2.5.3 ~~have adequate resources to fulfil the role expected of a Sponsor under these Listing Rules and be capable of giving the Applicant impartial advice before agreeing to accept the role.;~~

Responsibilities of a Sponsor

- 2.6 The responsibilities of a Sponsor are owed solely to the Listing Authority. In carrying out its responsibilities, the Sponsor must shall ensure and shall confirm in writing to the

¹ To insert criteria of competence for Sponsors as in the UK Listing Rules.

~~Listing Authority, in such form as the Listing Authority may prescribe from time to time, that:~~

- ~~2.6.1 to the best of its knowledge and belief, having made due and careful enquiry, the the Applicant has satisfied all applicableapplicablerelevant conditions for Admissibility to Listing and other relevant requirements of the Listing Listing Rules;~~
- ~~2.6.2 it has advised and guidedthe Directors of the Issuer have received advisedee and guidedanee the Applicant from the Sponsor or other appropriate professional advisors as to its their nature of their responsibilities and obligations to ensure compliance by the Issuer with the Listing Rules;~~
- ~~2.6.3 all matters known to it which should be taken into account by the Listing Authority in considering the particular application for Admissibility to Listing have been disclosed in the Prospectus or otherwise in writing to the Listing Authority;~~
- ~~2.6.4 it discloses to the Listing Authority without delay any information or explanations that the Listing Authority may reasonably require for the purpose of verifying any information which should be taken into account in considering an application for AdmissibilityAdmissibility to Listing;Listing;:-~~
- ~~2.6.5 it does not provide its services as a Sponsor in relation to an Issuer from which it is not independent and mustshall provide a confirmation in writing of its independence to the Listing Authority.;~~
- ~~2.6.6 all documentation has been submitted to the Listing Authority in a timely manner. Subsequent versions of any documents submitted to the Listing Authority must show clearly the tracked changes and all deletions must be notified;~~
- ~~2.6.7 the formal application for authorisation for Admissibility to Listing as set out in Appendix 5.3 is filed with the Listing Authority, together with supporting documentation, in accordance with these Listing Rules and it shall deal with the Listing Authority on all matters arising in connection with the application;~~
- ~~2.6.8 it advises the Listing Authority in writing without delay of its resignation or if its appointment is terminated giving details of any relevant facts or circumstances thereto. A copy of such notification shall also be sent to the Applicant.~~

~~*Principles of conduct for the Sponsor*~~

~~*Relations with the Listing Authority*~~

~~2.7 A Sponsor shall:~~

- ~~2.7.1 deal with the Listing Authority in an open and co-operative manner;~~
- ~~2.7.2 deal with all enquiries raised by the Listing Authority promptly; and~~
- ~~2.7.3 disclose to the Listing Authority in a timely manner any material information relating to the Sponsor or Applicant of which it has knowledge which addresses non-compliance with the Listing Rules.~~

~~*Independence*~~

~~2.8 — A Sponsor shall be independent of the Applicant and in any event shall not act if the Sponsor or the Group of which the Sponsor forms part has:~~

~~2.8.1 — an interest, or a holding that is equivalent to 10 % or more of the Equity or Debt Securities of the Applicant or any other company in the Applicant's Group. In assessing 2.6.63 all documentation has been submitted to the Listing Authority in a timely manner. Subsequent versions of any documents submitted to the Listing Authority must show clearly the tracked changes and all deletions must be notified;~~

~~2.6.74 — the percentage of the interest, the Equity Securities for which formal application for authorisation for Admissibility to Listing has been made are to be treated as having already been issued; or~~

~~2.8.2 — a business relationship, other than his role as Sponsor, set out in Appendix 5.3 is filed with or a financial interest in the Applicant or any other company the Listing Authority, together with supporting documentation, in the Applicant's Group that would give the Sponsor or the Sponsor's Group a material interest accordance with these Listing Rules and it shall deal with the Listing Authority on all matters arising in the outcome of the transaction.~~

~~2.9 — Any interest that arises as a result of the Sponsor's discretionary client holdings is not connection with the application; all matters known to it which should be included taken into account by the Listing Authority in the determination of the threshold set out in Listing Rule 2.8.1.~~

~~2.10 — A Sponsor shall not be considered considering the particular application have been disclosed in the Prospectus or otherwise in writing to be independent of an Applicant if a director, partner, or senior officer of the Sponsor or another company in the Sponsor's Group has a material interest in the Applicant or any other company in the Applicant's Group. the Listing Authority;~~

~~2.6.5 — in the case of any application for admissibility to listing in respect of which it acts as sponsor, it must provide a confirmation of its independence.;~~

~~2.67.85 — it advises the Listing Authority in writing without delay of, and copy the Applicant if its resignation s or if its appointment is terminated giving details of any relevant facts or circumstances the reasons- therefor therebefore. A copy of such notification must shall also be sent to the Applicant.;~~

~~2.7.9 — the formal application for authorisation for Admissibility to Listing as set out in Appendix 5.3 is filed with the Listing Authority, together with supporting documentation, in accordance with these Listing Rules and it shall deal with the Listing Authority on all matters arising in connection with the application.~~

~~The Sponsor must provide to the Listing Authority and without delay any information or explanations that the Listing Authority may reasonably require for the purpose of verifying any information which should be taken into account in considering an application for admissibility to listing.~~

~~*Principles of conduct for the -Sponsor*~~

~~*Relations with the Listing Authority*~~

~~2.117 A Sponsor shall ensure that no Equity Securities are placed with connected clients of the Sponsor unless placed with a Manager for the purpose of its business.~~

~~—————~~ *Directors of the Applicant*

- ~~2.12 ——— Prior to the endorsement by the Directors of the Applicant of the Prospectus in accordance with Listing Rule 5.34, the Sponsor to an application for authorisation for Admissibility to Listing shall satisfy itself that such Directors:~~
- ~~2.12.1 ——— can be relied upon to prepare and publish all information within their knowledge (or which it would be reasonable for them to obtain) that investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Applicant and of the rights attaching to the Securities to which the Prospectus relates; and~~
- ~~2.12.2 ——— have had explained to them (by the Sponsor or other appropriate professional adviser) the nature of the responsibilities and obligations they will be undertaking as Directors of a Company whose Securities are Admissible to Listing under these Listing Rules.~~
- ~~2.13 ——— In the case of a new Applicant the Sponsor shall obtain written confirmation from the Directors that the Issuer has established procedures which provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the Issuer and, in each case, its Group, and be satisfied that this confirmation has been given after due and careful enquiry by the Directors.:~~

~~—————~~ *Financial Information*

- ~~2.14 ——— Where a Prospectus includes a working capital statement, the Sponsor shall report to the Listing Authority in writing that:~~
- ~~2.14.1 ——— it has obtained written confirmation from the Issuer that the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve (12) months from the date of publication of the relevant document; and~~
- ~~2.14.2 ——— it is satisfied that this confirmation has been given after due and careful enquiry by the Issuer and that the persons or institutions providing finance have stated in writing that the relevant financing facilities exist.~~
- ~~2.15 ——— The Sponsor shall report, where applicable, that it has satisfied itself that any profit forecast or estimates have been made after due and careful enquiry by the Issuer.~~
- ~~2.16 ——— The Sponsor shall:~~
- ~~2.16.1 ——— obtain written confirmation from the Issuer that the financial information published in that document has been properly extracted from the Issuer's accounting records; and~~
- ~~2.16.2 ——— be satisfied that this confirmation has been given after due and careful enquiry by the Issuer.~~

Appointment of more than one Sponsor

~~—————~~ Where an Applicant appoints more than one Sponsor, the Applicant shall establish how responsibility is to be allocated and so inform the Listing Authority in writing.

~~—————~~ The appointment of more than one Sponsor does not relieve any of the Sponsors so appointed of their responsibilities and obligations under the Listing Rules.

musshallt:

~~—————~~ 2.7.1 deal with the Listing Authority in an open and co-operative waymanner;

~~—————~~ 2.7.2 deal with all enquiries raised by the Listing Authority promptly; and

~~2.7.3~~ disclose to the Listing Authority in a timely manner any material information relating to the Sponsor or Applicant of which it has knowledge which addresses non-compliance with the Listing Rules.

Principles for Sponsor: Independence

~~2.8~~ A Sponsor ~~must~~ shall be independent of the Applicant and in any event ~~must~~ shall not act if the Sponsor or another company in the same Group the Group of which the Sponsor forms part has:

Termination

~~2.19~~ If an Applicant terminates the services of its Sponsor, the Applicant shall immediately notify the Listing Authority in writing and it shall copy the Sponsor stating the reasons for such termination. The Applicant shall ensure that a new Sponsor is appointed immediately. The Listing Authority shall suspend the processing of the application for authorisation for Admissibility to Listing until a new Sponsor is so appointed.

Breaches by Sponsors

~~2.20~~ The Listing Authority shall report any failure by Sponsors to comply with their obligations or to satisfactorily perform the duties set out in this Chapter to the Competent Authority appointed by the Minister in terms of article 2A of the Investment Services Act.

~~2.8.1~~ an interest, or a holding that is equivalent to 10 ~~o.....%~~ or more of the ~~Equity or Debt~~ ~~shares~~ Securities of the ~~A~~ Applicant or any other company in the Applicant's Group. In assessing the percentage of the interest, the ~~Equity~~ ~~shares~~ Securities for which application for ~~A~~ admissibility to ~~L~~ Listing has been made are to be treated as having already been issued; or

~~2.8.2~~ a significant interest in the ~~d~~ Debt ~~S~~ securities of the ~~Applicant or any other company in the Applicant's Group; or~~

~~2.8.23~~ a business relationship with, ~~with,~~ other than his role as Sponsor, ~~or~~ a financial interest in the Applicant or any other company in the Applicant's Group that would give the Sponsor or the Sponsor's Group a material interest in the outcome of the transaction.

~~2.9~~ Any interest that arises as a result of the Sponsor's discretionary client holdings is not to be included in the determination of the threshold set out in Listing Rule 2.8.1.

~~2.10~~ A Sponsor ~~will~~ shall not be considered to be independent of an Applicant if a director, partner, ~~member of the management or senior executive~~ or senior officer or employee of the Sponsor or another company in the Sponsor's Group :

~~is involved in the provision of Sponsor services; and~~

~~has a material interest in the Applicant or any other company in the Applicant's Group.~~

~~2.11~~ A Sponsor ~~must~~shall ensure that no ~~equity shares~~Equity Securities are placed with connected clients of the Sponsor unless placed with a fund manager for the purpose of its business.

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Qualifications and obligations of a Sponsor

~~2.7~~ A Sponsor appointed under this Chapter must:

~~2.7.1~~ be licensed with at least a Category II licence in terms of the Investment Services Act;

~~2.7.2~~ be independent of the Issuer;

~~2.7.3~~ have adequate resources to fulfil the role expected of a Sponsor under these Listing Rules and be capable of giving the Applicant impartial advice before agreeing to accept the role;

~~2.7.4~~—be available to guide and provide advice to the Directors or equivalent governing body of the Issuer as to their responsibilities and obligations, including notifications, to ensure that they comply with these Listing Rules;

~~2.7.5~~—advise the Listing Authority in writing, and copy the Issuer for which it was acting, if it resigns or if its appointment is terminated giving the reasons therefor;

~~2.7.6~~—in the case of any application for Admissibility which requires the production of a Prospectus, prepare the Prospectus and ensure that all material statements therein have been verified and satisfy itself, to the best of its knowledge and belief, having made due and careful enquiry of the Issuer and its advisers, that the Issuer has satisfied all the listing requirements contained in these Listing Rules and all relevant legislation;

~~2.7.7~~—provide to the Listing Authority any information or explanation known to it in such form and within such time limit as the Listing Authority may reasonably require for the purpose of verifying whether these Listing Rules are being and have been complied with by it or by an Issuer;

~~2.7.8~~—confirm to the Listing Authority, at the time application is submitted for authorisation for admissibility to listing, the Sponsor's independence to the satisfaction of the Listing Authority (see Listing Rule 2.7.2); and

~~2.7.9~~—sign the formal application for authorisation for Admissibility to Listing as set out in Appendix 5.3, and lodge it with the Listing Authority, together with supporting documentation, in accordance with these Listing Rules and deal with the Listing Authority on all matters arising in connection with the application.

~~2.8~~—Notwithstanding that the Issuer's Directors are responsible for the accuracy of the information set out in the Prospectus, the Listing Authority attaches particular importance to the Sponsor's role in satisfying itself, on the basis of all the matters referred to in Listing Rules 2.9 to 2.16 below, that the Issuer's Securities are suitable for authorisation for Admissibility to Listing.

Directors of the Applicant

~~2.9~~—Sponsors shall ensure that the necessary range of skills and experience is available amongst the members of the board of Directors or equivalent governing body of the Issuer.

~~2.120~~ Prior to the endorsement by the Directors of the Applicant of the Prospectus in accordance with Listing Rule 5.34, the Sponsor to an application for authorisation for Admissibility to Listing shall satisfy itself that such Directors:

2.120.1 can be relied upon to prepare and publish all information within their knowledge (or which it would be reasonable for them to obtain) that investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Applicant and of the rights attaching to the Securities to which the Prospectus relates; and

2.120.2 have had explained to them (by the Sponsor or other appropriate professional adviser) and appreciate the nature of the responsibilities and obligations they will be undertaking as Directors of a Company whose Securities are Admissible to Listing under these Listing Rules.

~~2.13~~ In the case of a ~~n~~New Applicant the Sponsor ~~must~~shall obtain written confirmation from the ~~Directors that the Issuer~~ ~~that the Directors have~~ established procedures which provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the Issuer and, in each case, its Group, and be satisfied that this confirmation has been given after due and careful enquiry by the ~~Issuer~~Directors..

~~2.11~~—The Prospectus must be signed by every Director of the Applicant confirming that such Prospectus include all such information within their knowledge (or which it would be reasonable for them to obtain), that investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Applicant and of the rights attaching to the Securities to which the Prospectus relate.

~~General~~

~~2.12~~—If an Applicant ~~terminates~~discontinues the services of its Sponsor or if the Sponsor resigns, the Applicant~~Issuer~~ shall immediately notify the Listing Authority in writing and, if in respect of a termination, it shall copy the Sponsor stating the reasons for such termination. The Applicant shall ensure that a new Sponsor is appointed immediately. The Listing Authority shall suspend the processing of the application for authorisation for admissibility to listing until a new Sponsor is so appointed.

~~2.13~~—In the case of a New Applicant, or where the Listing Authority so requires of a Listed Company, the Sponsor must obtain written confirmation from the Applicant or Listed Company that the Directors have established procedures which provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the Applicant or Listed Company and, in each case, its Group, and be satisfied that this confirmation has been given after due and careful enquiry by the Listed Company or Applicant.

~~Financial Information~~*Working Capital*

~~2.14~~ Where ~~an Issuer prepares a Prospectus which includes a working capital statement,~~ ~~t~~The Sponsor ~~must~~shall report to the Listing Authority in writing that:

~~2.14.1~~ it has obtained written confirmation from the Issuer that the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve (12) months from the date of publication of the relevant document; and

~~2.14.2~~ it is satisfied that this confirmation has been given after due and careful enquiry by the Issuer and that the persons or institutions providing finance have stated in writing that the relevant financing facilities exist.

~~2.15~~ The Sponsor ~~must~~shall report, where applicable, that it has satisfied itself that any profit forecast or estimates have been made after due and careful enquiry by the Issuer.

~~2.16~~ Where ~~an Issuer prepares the Prospectus~~ ~~T~~the Sponsor ~~must~~shall:

~~2.16.1~~ obtain written confirmation from the Issuer that the financial information published in that document (~~other than that contained in the comparative table, Auditors' report or, the published audited Annual Accounts~~) ~~has~~ been properly extracted from the Issuer's accounting records; and

2.16.2 be satisfied that this confirmation has been given after due and careful enquiry by the Issuer.

Appointment of more than one Sponsor

2.17 Where an Applicant appoints more than one Sponsor, the Applicant ~~must~~ shall establish which Sponsor has primary responsibility or how responsibility is to be allocated and so inform the Listing Authority in writing.

2.18 The appointment of more than one Sponsor does not relieve any of the Sponsors so appointed of their responsibilities and obligations under the Listing Rules.

Termination

2.19 If an Applicant terminates the services of its Sponsor, the Applicant shall immediately notify the Listing Authority in writing and it shall copy the Sponsor stating the reasons for such termination. The Applicant shall ensure that a new Sponsor is appointed immediately. The Listing Authority shall suspend the processing of the application for authorisation for ~~A~~admissibility to ~~L~~isting until a new Sponsor is so appointed.

Breaches by Sponsors

2.20~~17~~ The Listing Authority shall report ~~any breach~~² of these Listing Rules any failure by Sponsors to comply with their obligations under these Listing Rules or to satisfactorily perform the duties set out in this Chapter ~~{NON SATISFACTORY PERFORMANCE}~~ to the Competent Authority appointed by the Minister in terms of article 2A of the Investment Services Act.

² To amend – refer to non-compliance by Sponsors of their responsibilities.