

505. Ongoing Requirements

(1) Compliance Generally

A Junior Market Company shall at all times be subject to, and shall comply with:

- (a) the ongoing requirements set out in this Rule 505; and
- (b) any other requirements imposed by the JSE under the Junior Market Rules.

(2) Maintenance of Eligible Company Status

A Junior Market Company shall at all times maintain its status as an eligible company.

(3) Articles of Incorporation

Unless the JSE agrees otherwise, the Articles of Incorporation of the eligible company or Junior Market Company (as the case may be) must comply with the requirements of Part One of Appendix 2.

(4) Mentor

Unless the JSE agrees otherwise, each Junior Market Company shall at all times comply with the requirements for a mentor set out in Rule 503.

(5) Board of Directors

Each Junior Market Company shall at all times comply with the requirements for the Board of Directors set out in Rule 504.

(6) Number of Participating Voting Shareholders

The Junior Market Company shall:

- (a) in the first 5 years (inclusive) following its initial admission to the Junior Market, have at all times not less than 25 participating voting shareholders who hold, in aggregate, not less than 20% of the fully paid, subscribed participating voting share capital; and

- (b) in years 6 to 10 (inclusive) following its initial admission to the Junior Market, have, at all times, not less than 50 participating voting shareholders who hold, in aggregate, not less than 20% of the fully paid, subscribed participating voting share capital.

(7) Requirements for Participating Voting Share Capital

- (a) The Junior Market Company shall at all times ensure that the fully paid, subscribed participating voting share capital that has been admitted is not less than J\$50 million and not more than J\$500 million, and that such capital is fully paid.
- (b) When the subscribed participating voting share capital that has been admitted exceeds J\$500m the Junior Market Company shall be required to discuss its eligibility to remain on the Junior Market with the JSE. The Junior Market Company may elect to remain on the Junior Market with the consent of the JSE but, after making such election, it shall be required to pay the listing fees applicable to companies listed on the Main Exchange. Alternatively, the Junior Market Company may elect to graduate to the Main Exchange.

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- (c) The Junior Market Company shall at all times comply with the requirements of Rule 501(3).

(8) Further Issues

- (a) Pre-emption Rights: Further Issues of Participating Voting Shares
 - (i) Subject to paragraph (ii) of this Rule 505(8)(a), if after the initial public offering for the purposes of initial admission, a Junior Market Company decides to issue further participating voting shares that are to be the subject of an application for admission, such shares must be issued on a pre-emptive basis to the existing participating voting shareholders, in proportion to their holding and at the same price and on the same terms as such shares are offered to others, unless the relevant holders have sanctioned, by way of ordinary resolution in general meeting, a further issue without regard to their pre-emptive rights.
 - (ii) A Junior Market Company need not comply with paragraph (i) of this Rule 505(8)(a) if the relevant participating voting shares are to be issued for consideration other than cash, or pursuant to the exercise of conversion privileges, options or rights previously granted by the Junior Market Company.

(b) Further Issues of Other Securities

- (i) After the initial public offering for the purposes of initial admission, a Junior Market Company may issue other securities with a view to their admission, subject always to paragraph (ii) of this Rule 505(8)(b) and also, to paragraphs (c), (d), and (e) below.
- (ii) Any such securities in the nature of loan or debt capital must be issued in compliance with paragraph (5) of Part 2 of Appendix 2.

(c) Methods

- (i) Subject to Rule 505(8)(a), a Junior Market Company may issue newly created, or existing, participating voting shares or any other securities with a view to their admission using any of the following methods (or any combination thereof):
 - rights issue
 - capitalization issue
 - placing
 - offer for subscription
 - offer for sale
 - offer by tender.
- (ii) Any further issue of participating voting shares or other securities made by a Junior Market Company under this paragraph (c) of Rule

505(8) with a view to their admission shall comply with the provisions of Part 2 of Appendix 2 (as applicable).

(d) Whole Class to be Admitted, etc.

- (i) Subject to paragraph (ii), a Junior Market Company may create and issue a further class of participating voting shares or other securities, in accordance with the relevant provisions of the Companies Act (or any other applicable law).
- (ii) Any further issue of participating voting shares or other securities made by a Junior Market Company that corresponds to a class of participating voting shares or other securities that has already been admitted must also be the subject of an application to the JSE for admission made in accordance with paragraph (e) of this Rule 505(8).

(e) Application for Admission – Further Issues

A Junior Market Company that makes a further issue of participating voting shares or other securities with a view to their admission must submit the following documents to the JSE:

- (i) the following Shelf Documents, at least 21 days prior to the proposed admission date (or as indicated below), each of which must be duly completed to the satisfaction of the JSE:
- 2 original copies of the Admission Application;
 - in the case of a further issue of participating voting shares or securities that have not previously been admitted, 2 original copies of the Admission Agreement;
 - 2 original copies of the Declaration for Admission;
 - any prospectus, circular, memorandum or other document relevant to the further issue:
 - in draft form no less than 21 days prior to its intended publication and issue in accordance with Rule 502(2)(b);
 - in final form of no less than 2 days prior to its intended publication and issue in accordance with Rule 502(2)(b);
 - specimen certificate in respect of the participating voting shares or other securities;

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- certified copies of the resolutions of both the Board of Directors and the participating voting shareholders of the Junior Market Company, approving the proposed admission and the Shelf Documents required therefor;
 - within 10 days after the allotment of the participating voting shares or other securities, a list of allottees certified by the company secretary, confirming the number of participating voting shares or securities held by each of them, and the fact that such shares or securities are fully paid; and

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- the applicable Junior Market Fees.

(ii) evidence satisfactory to the JSE, that the eligible company has met any other requirements that may have been imposed by the JSE pursuant to these Rules.

(9) Repurchase of Participating Voting Shares

A Junior Market Company may repurchase or otherwise acquire any admitted participating voting shares or other securities previously issued by it, in accordance with the Companies Act or other applicable legislation, provided always that:

- (a) the Articles of Incorporation allow the Junior Market Company to do so;
- (b) such repurchase or acquisition is made by way of self tender offer or open market repurchase in accordance with the provisions of Part 3 of Appendix 2.

(10) Financial Reporting

A Junior Market Company shall at all times comply with the provisions of Part 4 of Appendix 2 as regards financial reporting.

(11) Timely Disclosure

A Junior Market Company shall at all times comply with the provisions of Part 5 of Appendix 2 as regards timely disclosure of information.

(12) Takeovers, Mergers and Amalgamations

- (a) Subject to paragraph (b) of this Rule 505(12) a Junior Market Company may be taken over by any other Junior Market Company or person, or merge or amalgamate with, another Junior Market Company or person.
- (b) No later than the day prior to any announcement of any takeover, merger, or amalgamation of a Junior Market Company by another Junior Market Company or other person, any Junior Market Company involved in such takeover, merger or amalgamation shall make application to the JSE to suspend trading in its admitted participating voting shares and other admitted

securities in accordance with paragraph (b) of Rule 505(14), pending the following:

- (i) in the case of a takeover of a Junior Market Company by another Junior Market Company or other person, or a merger of a Junior Market Company with another such Company or other person, evidence of compliance by any Junior Market Company involved with the provisions of Part 6 of Appendix 2, and the Securities Act (Takeovers and Mergers) Regulations 1999 (as amended from time to time), the Companies Act (or any other applicable law); or
- (ii) in the case of a merger or amalgamation of a Junior Market Company with another Junior Market Company or other person, evidence of compliance by any Junior Market Company involved with the relevant provisions of Part 6 of Appendix 2, and the Companies Act or any other applicable law; and
- (iii) the making of a fresh application for admission by the acquiring or surviving Junior Market Company (as the case may be) in accordance with Rules 500(1), (3),(4), and (5), and Rules 501, 503 and 504.

(13) Junior Market Fees

A Junior Market Company shall be required to pay the Junior Market Fees in a timely manner.

(14) Delisting or Suspension

(a) Delisting or Suspension By the JSE

The JSE may, in its absolute discretion, delist or suspend trading of the admitted participating voting shares and other admitted securities of a Junior Market Company, for any of the following reasons:

- (i) if the Junior Market Company fails or ceases to comply with any of the requirements of the Admission Agreement, or any of the statements made in the Declaration for Admission, or this Rule 505;
- (ii) if in the opinion of the JSE the Junior Market Company has engaged in conduct that has adversely affected the reputation of the Junior Market, or the market in its admitted participating voting shares or other admitted securities; or
- (iii) if no application has been made by the Junior Market Company involved in accordance with paragraph (b) of this Rule 505(14), on the announcement of a takeover, merger or amalgamation involving a Junior Market Company.

(b) Delisting or Suspension on Application by the Junior Market Company

A Junior Market Company may make application to the JSE to delist or to suspend trading in its admitted participating voting shares and other admitted securities. Any such application must be:

- (i) made to the JSE in writing, setting out the detailed reasons for seeking the delisting or suspension; and
 - (ii) accompanied by a certified copy of the resolution of the Board of Directors authorizing the application for delisting or suspension.
- (c) Delisting or Suspension Generally
- (i) In the event of a delisting or suspension of trading of the admitted participating voting shares or other admitted securities of a Junior Market Company, for whatever reason, no portion of the Junior Market Fees are refundable.
 - (ii) However, if during the calendar year of delisting or suspension of trading of the admitted participating voting shares or other admitted securities of a Junior Market Company such shares are re-listed, or the relevant suspension is lifted, no further Junior Market Fees are payable for the balance of that calendar year.