

**DEBT MARKET PROCESS
DOCUMENT**

JSE Limited – Interest Rate Market

November 2017

Note: This process document is included in the Debt Listings Requirements by reference and will be available on the JSE website.

1. General

- (a) Please note that all terms contained herein are defined in the JSE Debt Listings Requirements.
- (b) All submissions must be made by the debt sponsor or designated person on Webstir.
- (c) Where the submission will be made by a designated person that does not already have access to Webstir, the designated person must email sensoffice@jse.co.za to receive a registration form to be granted access to Webstir. The designated person must submit the required documents for its approval via Webstir.
- (d) All submissions must be accompanied by a checklist (available on the JSE website) duly completed and clearly indicating the specific paragraph and page numbers of the document that show compliance with the Debt Listings Requirements.
- (e) The JSE will no longer provide comments on the checklist but will instead provide comments directly on the documents submitted. These comments will be included in a comment box. Responses to the JSE's comments must be included in the document in a responding comment box. Any comment that has been answered or appropriately amended by the debt sponsor or designated person will be deleted by the JSE and a general comment stating this will be made in a comment box on the cover page of the document.
- (f) Subsequent to the first submission, any document that the JSE has commented on must be marked up to reflect the changes from the previous submission and the mark up document must be submitted to the JSE.
- (g) If an applicant issuer is unable to comply with any of the Debt Listings Requirements, the applicant issuer must submit an application for dispensation as early as possible.
- (h) It is the obligation of the ongoing debt sponsor or designated person to advise the JSE whether the applicant issuer intends bringing a debt security to market that is not currently listed on the JSE as early as possible and to submit an in-principle approval request. This only applies to any new debt securities issued for the first time under a particular issuer programme, or where the debt security is new to the market. This may entail approval by the New Products Committee of the JSE and the FSB may be consulted in this regard so please cater for this in your timelines. The timelines applicable to the in-principle approval request will follow the timelines for placing documents as set out in paragraph 2 below, once all of the relevant information has been submitted to the JSE. If there is uncertainty regarding the nature of the debt security, an in-principle approval request must be submitted to the JSE and the JSE must be contacted as soon as possible.
- (i) It is the responsibility of the ongoing debt sponsor, designated person and applicant issuer to ensure that the below procedures regarding the approval of placing documents and pricing supplements can be accommodated within the timetables set out in the Debt Listings Requirements. In addition, the ongoing debt sponsor,

designated person and applicant issuer are advised to structure their timetables relating to extremely complex or voluminous submissions, in order to allow the JSE, upon notification to the ongoing debt sponsor, designated person and applicant issuer, an additional 48 hours, per submission (informal or formal submissions), to consider the relevant documents.

- (j) Applicant issuers, designated persons and debt sponsors are advised that if the documents are returned to the ongoing debt sponsor or designated person after a third submission, the JSE reserves the right to charge an additional fee equal to 100% of the original fee for every subsequent submission.
- (k) Applicant issuers, designated persons and debt sponsors must not assume approval of any aspect of a transaction, including documentation relating thereto, until formal approval has been granted by the JSE.

2. Procedure for approval – Placing Document (excluding Fast Track Listings)

The procedure for approval of a placing document is as follows:

Informal Comment

- (a) a draft copy of the documentation required to be approved in terms of the Debt Listings Requirements (“**documents**”) should be submitted to the JSE as early as possible for informal comment together with the first submission checklist found in the appendix to section 8 of the Debt Listings Requirements;
- (b) if documents are received by the JSE on or before 10h00 on a business day, they will be deemed to have been lodged at 10h00 on such business day; and if they are received after 10h00 on a business day, they will be deemed to have been lodged at 10h00 on the following business day (“the deemed lodgement time”);
- (c) within 5 business days of the deemed lodgement time of the first submission, the JSE will provide the relevant ongoing debt sponsor or designated person with informal comments. The JSE may insist on a further informal comment submission where additional information is inserted after the initial lodgement of the documentation;
- (d) the applicant issuer is required to prepare its timetable on the basis that JSE approval shall be obtained not less than 10 business days prior to the proposed listing date of the relevant Debt securities. An applicant issuer may make use of marketing material to assist with the book-building exercise and/or auctioning as the case may be, prior to the JSE granting final approval, provided it is not misleading and it is stated in the placing document that the JSE’s approval has not been granted as yet;

Informal Approval

- (e) once the informal comment amendments have been incorporated into the documents by the applicant issuer, such amended documents may be submitted to the JSE for informal approval;
- (f) upon submission for informal approval:
 - (i) within 3 business days of the deemed lodgement time for informal approval, the JSE may grant informal approval or may refuse informal approval and return the documents to the relevant ongoing debt sponsor or designated person with comments (if they are found not to be in accordance with the Debt Listings Requirements) or without comment (if an incomplete set of documents was submitted) (“**omission**”); and
 - (ii) the JSE may, in certain cases, submit the documents to the FSB in order to obtain comments/approval from the FSB. This will apply when a new placing document is submitted to the JSE in which provision is made for the listing of debt securities that are not currently listed on the Interest Rate Market or the Main board (i.e. it is a new type of security), when there is an amendment to an existing programme memorandum to make provision for debt securities that are not currently listed on the Interest Rate market or the Main board (i.e. it is a new type of security), for the listing of any new debt security as outlined in paragraph 1(h) of this document and in any other case that the JSE deem necessary;

- (g) in the event of paragraph 2(f)(i), the ongoing debt sponsor or designated person may re-submit the documents after incorporating the JSE's comments or rectifying the omission, whereupon paragraph 2(f)(i) and (ii) will again apply;
- (h) the procedures stipulated above will apply until the JSE grants informal approval;
- (i) Informal approval will not be granted until all comments made by the FSB (if applicable) are addressed. After a third submission, the JSE reserves the right to charge an additional fee equal to 100% of the original fee for every subsequent submission;

Formal Approval

- (j) once informal approval has been granted by the JSE draft copies of the final documents must be submitted to the JSE;
- (k) upon submission for formal approval, the JSE may:
 - (i) within 2 business days of the deemed lodgement time for formal approval, grant formal approval (if necessary, subject to conditions); or
 - (ii) within 2 business days of the deemed lodgement time for formal approval, refuse formal approval (with comment, if the documents are capable of repair);
- (l) in the event of paragraph 2(k)(i) and (ii), the ongoing debt sponsor or designated person may re-submit the documents after incorporating the JSE's comments or after repairing the documents, whereupon paragraph 2(k)(i) and (ii) above will again apply; and
- (m) once formal approval is granted by the JSE, the applicant issuer must submit any outstanding documents and the signed placing document within 1 month of the date on which formal approval was granted. If the signed placing document is not submitted within the above timeframe, the approval will be declared void and the applicant issuer will be required to re-apply for approval from the informal comment stage and may be liable for a second documentation fee in this regard.

Preliminary approval

In the event that an applicant issuer intends to utilise the placing document for marketing related activities in respect of the debt securities which are to be listed, the applicant issuer must ensure compliance with either paragraph (a) or (b) below:

- (a) Preliminary approval can be sought from the JSE in accordance with the following process:
 - (i) The placing document, with only the information specific to the debt security omitted (for example dates, pricing, issue amount, maturity or similar information), must have been submitted for formal approval in accordance with paragraphs 2(a) to (n) above. Once the formal comments have been processed, the document will be considered "preliminarily approved" by the JSE.

- (ii) The preliminarily approved placing document may be circulated to market participants and potential investors at meetings, provided that any amendments effected following such meetings shall be limited to the insertion of dates, pricing, issue amount, and maturity or similar information. If any other amendments are effected to the placing document, potential investors and the JSE must be informed of such amendments and the placing document must be re-submitted for formal approval;
 - (iii) The applicant issuer, debt sponsor/designated person, dealers, arrangers or managers shall advise potential investors that the preliminarily approved placing document is not the final document approved by the JSE and that such document shall be subject to completion and amendment, and this fact shall be clearly evident on the cover page of the document;
 - (iv) Strate shall have accepted the immobilisation/dematerialisation of the debt security and confirmed that the applicant has been admitted in terms of the CSD rules and directives prior to the preliminary approval by the JSE; and
 - (v) A signed, final placing document shall be made available to the JSE for formal approval and investors by no later than 48 hours prior to the listing date; or
- (b) Should preliminary approval not be sought pursuant to (a) above, a statement in bold must be placed on the cover page of the placing document stating that the placing document is not the final document, the JSE has not approved such document and that such document shall be subject to completion and amendment.

3. Procedure for approval – Placing Document (Fast Track Listings)

The procedure for approval of a placing document submitted under the Fast Track Listing Process is as follows:

Informal Comment

- (a) a draft copy of the documentation required to be approved in terms of the Debt Listings Requirements (“**documents**”) should be submitted to the JSE as early as possible for informal comment;
- (b) if documents are received by the JSE on or before 10h00 on a business day, they will be deemed to have been lodged at 10h00 on such business day; and if they are received after 10h00 on a business day, they will be deemed to have been lodged at 10h00 on the following business day (“**the deemed lodgement time**”);
- (c) within 3 business days of the deemed lodgement time of the first submission, the JSE will provide the relevant debt sponsor or designated person with informal comment. The JSE may insist on a further informal comment submission where additional information is inserted after the initial lodgement of the documentation;
- (d) the applicant issuer is required to prepare its timetable on the basis that JSE approval shall be obtained not less than 7 business days prior to the proposed listing date of the relevant Debt securities. An applicant issuer may make use of marketing material to assist with the book-building exercise and/or auctioning as the case may be, prior to the JSE granting formal approval, provided it is not misleading and it is stated in the placing document that the JSE’s approval has not been granted as yet;

Informal Approval

- (e) once the informal comment amendments have been incorporated into the documents by the applicant issuer, such amended documents may be submitted to the JSE for informal approval;
- (f) upon submission for informal approval:
 - (i) within 2 business days of the deemed lodgement time for informal approval, the JSE may grant informal approval or may refuse informal approval and return the documents to the relevant debt sponsor or designated person with comments (if they are found not to be in accordance with the Debt Listings Requirements) or without comment (if an incomplete set of documents was submitted) (“**omission**”); and
 - (ii) the JSE may, in certain cases, submit the documents to the FSB in order to obtain comments/approval from the FSB. This will apply when a new placing document is submitted to the JSE in which provision is made for the listing of debt securities that are not currently listed on the Interest Rate Market or the Main board (i.e. it is a new type of security), when there is an amendment to an existing programme memorandum to make provision for debt securities that are not currently listed on the Interest Rate market or the Main board (i.e. it is a new type of security), for the listing of any new debt securities as outlined in paragraph 1(h) of this document and in any other case that the JSE deem necessary;

- (g) in the event of paragraph 3(f)(i), the debt sponsor or designated person may re-submit the documents after incorporating the JSE's comments or rectifying the omission, whereupon paragraph 3(f)(i) and (ii) will again apply;
- (h) the procedures stipulated above will apply until the JSE grants informal approval;
- (i) Informal approval will not be granted until all comments made by the FSB (if applicable) are addressed. After a third submission, the JSE reserves the right to charge an additional fee equal to 100% of the original fee for every subsequent submission;

Formal Approval

- (j) once informal approval has been granted by the JSE draft copies of the final documents must be submitted to the JSE;
- (k) upon submission for formal approval, the JSE may:
 - (i) within 2 business days of the deemed lodgement time for formal approval, grant formal approval (if necessary, subject to conditions); or
 - (ii) within 2 business days of the deemed lodgement time for formal approval, refuse formal approval (with comment, if the documents are capable of repair);
- (l) in the event of paragraph 3(k)(i) and (ii), the debt sponsor or designated person may re-submit the documents after incorporating the JSE's comments or after repairing the documents, whereupon paragraph 3(k)(i) and (ii) above will again apply; and
- (m) once formal approval is granted by the JSE, the applicant issuer must submit any outstanding documents and the signed placing document within 1 month of the date on which formal approval was granted. If the signed placing document is not submitted within the above timeframe, the approval will be declared void and the applicant issuer will be required to re-apply for approval from the informal comment stage and may be liable for a second documentation fee in this regard.

4. Procedure for approval - Pricing Supplement

Application for listing of debt securities and/or additional listings, are as follows:

- (a) all applications under a programme memorandum must be made by submitting a draft pricing supplement by 10h00 three business days prior to the listing of the debt securities (if material amendments are made to the terms of the programme memorandum in the pricing supplement, the JSE may request that a supplement to the programme memorandum be submitted to the JSE for approval);
- (b) the signed pricing supplement must be submitted to the JSE by 10h00 on the business day prior to the listing date or by 13h00 for commercial paper issues that have been cleared three business days in advance;
- (c) in the case of a further issue of debt securities made under an existing issue (tap issue), the applicant issuer must submit a signed pricing supplement by 10h00 the business day before the listing;
- (d) the listing must be announced on SENS prior to the listing date of debt securities, in accordance with the timelines stipulated in the Debt Listings Requirements;
- (e) prior to making application to list debt securities, applicant issuers must ensure that, where required, in-principle approval has been granted for the debt securities in accordance with paragraph 1(h) of this document;
- (f) the turnaround times stipulated above are based on the average pro forma pricing supplement contained in the programme memorandum,. The JSE reserves the right to take additional time where the pricing supplement contains further terms over and above the pro forma pricing supplement; and
- (g) the additional terms referred to above must be submitted in marked-up format for the JSE to clearly see where non-standard terms have been included in the pricing supplement.