

Co-op Debenture Exchange (Private) Limited (CDEX)

Schedule B

Listing Rules & Admission Governance

FOREWORD

The launch of the Co-op Debenture Exchange (CDEX) marks a pivotal moment in the evolution of African capital markets. For too long, the cooperative sector—a vital engine of grassroots economic development—has been sidelined by traditional financial institutions that favor high-volume corporate entities and lack the niche infrastructure necessary to support cooperative debt instruments. This Listing Rules & Admission Governance framework is our response to that imbalance. It is designed to replace the opaque, manual, and often exclusionary processes of legacy markets with a transparent, digitized, and meritocratic architecture.

By anchoring our listing rules in the Co-operative Societies Act [Chapter 24:05] and integrating real-time regulatory surveillance via the `coops.africa` compliance node, we have created an environment where trust is programmatic, not discretionary. For the issuer, these rules represent a clear path to accessing liquidity while maintaining the democratic integrity of the cooperative model. For the investor, they provide the assurance that every debenture is vetted, collateralized, and subject to continuous oversight. We are building more than just an exchange; we are building a digital backbone for shared prosperity. This document serves as the regulatory constitution governing how we admit participants and ensure that our market remains a safe, fair, and efficient environment for all cooperators.

1.0 PREAMBLE: MISSION OF THE COOPERATIVE DEBENTURE EXCHANGE

The Co-op Debenture Exchange (CDEX) is engineered as the digital cornerstone for mobilizing grassroots capital within the pan-African cooperative sector. By bridging the gap between smallholder cooperatives and institutional liquidity, CDEX provides a transparent, standardized, and regulation-aligned infrastructure for debt-based capital formation.

1.1 Platform Objective: Grassroots Capital Democratization

The primary mandate of CDEX is the programmatic democratization of financial access. Unlike traditional stock exchanges that favor high-frequency trading and massive corporate entities, CDEX is optimized for:

- **Capital Velocity:** Facilitating the rapid, cost-effective issuance of debentures by agricultural and industrial cooperatives.
- **Inclusion:** Enabling retail cooperators to participate in debenture issuances at the grassroots level, turning member savings into active, yield-bearing capital.
- **Integrity:** Ensuring that every debenture is backed by verifiable collateral, preventing the dilution of value through speculative or opaque financial products.

1.2 Alignment with the Co-operative Societies Act

CDEX operates within the strict jurisdictional parameters of the Republic of Zimbabwe, specifically adhering to the **Co-operative Societies Act [Chapter 24:05]**. Our listing rules are not merely internal bylaws; they are a digital extension of the statutory requirements governing cooperative governance, member liability, and equity distribution.

- **Statutory Compliance:** Every listing request is cross-referenced against the cooperative's registered status with the Ministry of Industry and Commerce, ensuring that only bona fide, audited cooperative entities can access the exchange.
- **Governance Symmetry:** The listing rules enforce the democratic "One Member, One Vote" principle, preventing the concentration of debenture control among a select few board members or non-cooperative external shareholders.
- **Regulatory Oversight:** By hardcoding SECZ (Securities and Exchange Commission of Zimbabwe) reporting standards into the `coops.africa` compliance engine, CDEX ensures that the cooperative sector achieves the same levels of disclosure, transparency, and investor protection as traditional public markets.

2.0 ADMISSION CRITERIA & ELIGIBILITY FOR ISSUERS

To ensure that the `coops.africa` ecosystem maintains high standards of market integrity, all entities seeking to list debentures on the Co-op Debenture Exchange (CDEX) must satisfy a rigorous set of automated and forensic admission criteria.

2.1 Institutional/Cooperative Status Verification

Before an application can progress to the technical vetting stage, the issuer must provide immutable proof of its legal status.

- **Registry Cross-Check:** The platform's automated compliance engine performs a real-time API call to the national cooperative registry. The issuer must be a registered entity under the Co-operative Societies Act or equivalent regional legislative framework.
- **Constitutional Review:** The issuer must upload its founding bylaws, which are parsed by the compliance engine to ensure the entity possesses the legal capacity to issue debt instruments.

2.2 Financial Health & Solvency Benchmarks

CDEX mandates a quantitative baseline for any entity seeking to tap into cooperative capital.

- **Debt-Servicing Ratio (DSR):** The automated system analyzes the last 24 months of the issuer's financial performance. To be eligible, the issuer must maintain a DSR that provides a safety margin for the proposed coupon payments.
- **Asset-Liability Parity:** Issuers must demonstrate that the proposed debenture issuance does not exceed 60% of their total verified, unencumbered asset base, ensuring sufficient collateral coverage.

2.3 Governance Structure & Board Composition Requirements

To protect retail cooperators, CDEX enforces strict corporate governance rules modeled on international best practices adapted for the cooperative sector.

- **Democratic Representation:** The board must consist of members elected by the cooperative membership, with clear term limits and defined oversight responsibilities.
- **Independent Oversight:** For larger issuances, at least one board position must be occupied by an independent technical advisor who is not a beneficiary of the cooperative's operational activities.
- **Conflict of Interest Policy:** The issuer must provide a signed declaration of interest register, which is digitally indexed and made available for periodic audit.

2.4 "Fit and Proper" Certification (ICM Audit)

The final stage of admission is a mandatory "Fit and Proper" assessment conducted by the Institute of Cooperative Management (ICM).

- **Director Forensics:** All members of the board and the executive management team are vetted for criminal records, bankruptcy, or previous history of regulatory malpractice.
- **ICM Certification Hash:** Only after the ICM audit is successfully completed does the system generate a unique Admission_Readiness_Hash. This hash is the final prerequisite for the Form E-101 Admission Application to be submitted to the CDEX exchange board for formal listing.

3.0 PROSPECTUS & ISSUANCE DOCUMENTATION REQUIREMENTS

To protect the integrity of the cooperative market, all issuers must provide a standardized, transparent, and machine-readable prospectus. This documentation is not merely legal text; it is treated as a "Data Payload" that the CDEX compliance engine parses to ensure the debenture is viable and secure.

3.1 Mandatory Disclosure Standards

The Exchange requires full disclosure of the cooperative's operational and financial state.

- **Core Disclosures:** Issuers must provide audited financial statements for the past three years, a detailed "Use of Proceeds" statement, and the complete organizational structure of the board.
- **Machine-Readable Format:** The prospectus must be submitted in CDEX-standardized schema (JSON-Linked Data), allowing the exchange's automated systems to perform real-time cross-referencing against the cooperative's historical data.

3.2 Collateralization & Asset Registry Integrity

Debentures listed on CDEX must be secured against tangible or verifiable digital assets.

- **Collateral Verification:** If the debenture is commodity-backed, the collateral must be registered in the **CDEX Physical Asset Registry**. The issuer must provide verifiable warehouse receipts or digital titles that are cryptographically locked until the debenture reaches maturity.
- **Registry Linkage:** The registry is updated in real-time. If the value of the collateral falls below the 110% coverage ratio required by CDEX, the exchange triggers an automated "Margin Alert" to the issuer, requiring an immediate collateral top-up or a temporary suspension of trading.

3.3 Debenture Terms: Maturity, Yield, and Redemption Protocols

The fundamental economic terms of the debenture are hardcoded into the issuance smart contract at the moment of listing.

- **Maturity:** Clearly defined maturity dates with no "soft-end" or discretionary extension clauses.
- **Yield:** The coupon rate must be fixed or derived from a transparent, public reference index.
- **Redemption Logic:** The repayment protocol is automated. On the payment date, the Co-op Pay switch automatically sweeps the required coupon amount from the issuer's clearing account and distributes it proportionally to all debenture holders.

3.4 Risk Factor Disclosures & Mitigation Strategies

Issuers must submit a standardized "Risk Impact Report" which identifies systemic, operational, and market risks.

- **Scenario Modeling:** Issuers are required to provide a 5-year stress-test model (e.g., impact of drought on agricultural output, or commodity price volatility).
- **Mitigation Hierarchy:** The issuer must outline the specific internal protocols that will be activated if the primary risk factors occur. These disclosures are indexed and made available to every potential investor through the platform interface, ensuring that participation in the debenture issuance is based on fully informed consent.

4.0 THE AUTOMATED LISTING & VETTING PROCESS

The listing process on the Co-op Debenture Exchange (CDEX) is entirely automated, eliminating human bias and manual processing delays. It is designed to ensure that every issuer meets strict governance and solvency standards before interacting with retail investor capital.

4.1 Submission via Digital Arbitration & Compliance Portal

Issuers begin the listing process by submitting their application through the **CDEX Digital Arbitration & Compliance Portal**.

- **Standardized Intake:** The portal requires the submission of all prospectus data and governance documents in machine-readable formats.
- **Serialization:** Upon submission, the system assigns a `Unique_Listing_ID` to the application, which serves as the permanent anchor for all subsequent forensic audits and compliance reviews.

4.2 Algorithmic Vetting & Automated Compliance Checks

Once submitted, the `coops.africa` compliance engine executes a series of "Hard-Gate" checks:

1. **Identity & Status:** Real-time API verification against the national cooperative registry.
2. **Solvency Analysis:** Automated stress-testing of the issuer's financial records against the proposed debenture issuance.
3. **Forensic Governance Review:** Automated scanning of the board of directors' history and declaration of interest registers for red flags.

4.3 Regulatory "Read-Only" API Hook for SECZ Oversight

Transparency is hardcoded into the vetting process via a secure, real-time API hook with the Securities and Exchange Commission of Zimbabwe (SECZ).

- **Silent Observation:** The SECZ surveillance terminal receives a real-time data stream of the entire vetting process. If the compliance engine identifies a "critical failure" during the automated check, an alert is pushed to the regulator's dashboard simultaneously with the issuer.
- **Audit Trail:** Every algorithmic decision made by the compliance engine is logged, hashed, and mirrored to the SECZ node, ensuring that the Exchange cannot bypass its own rules to admit non-compliant entities.

4.4 The "Finality of Admission" Digital Certificate

If the algorithmic vetting is successful and the SECZ registry shows no active intervention flags, the system issues the **"Finality of Admission" Digital Certificate**.

- **Cryptographic Locking:** This certificate is a cryptographically signed smart-contract entry that officially enables the debenture to be traded on the CDEX order book.
- **Market Commencement:** Once the certificate is minted, the debenture becomes "Live," and the exchange's matching engine automatically broadcasts the new listing to all participating brokerage nodes across the pan-African cooperative network.

By automating the transition from application to admission, CDEX ensures that listing is a meritocratic, transparent, and rapid process, entirely devoid of the administrative bottlenecks common in traditional capital market

5.0 POST-LISTING COMPLIANCE & CONTINUOUS OBLIGATIONS

Once admitted to the Co-op Debenture Exchange (CDEX), issuers enter a permanent state of "Algorithmic Compliance." The platform does not rely on manual annual filings; instead, it enforces continuous, real-time transparency through the `coops.africa` core infrastructure.

5.1 Ongoing Financial Reporting & Disclosure Intervals

Issuers are required to feed their operational data into the CDEX reporting node.

- **Intervals:** Financial updates are triggered at T+30 days following the end of each fiscal quarter.
- **Automated Data Feed:** Rather than static PDF reports, issuers must connect their digital accounting systems to the CDEX API. This ensures that the platform has access to real-time balance sheet snapshots, allowing for the continuous monitoring of the issuer's solvency.

5.2 Material Change Notification Protocols

Any event that could impact the value of the debenture or the issuer's ability to service debt must be reported immediately via the **Material Change Protocol**.

- **Trigger Events:** Includes leadership changes, sudden loss of major cooperative members, severe environmental impact on collateral, or pending litigation.
- **Instant Broadcast:** Upon detection or submission, the compliance engine issues an automatic "Market Disclosure Notice" to all participating investor wallets, ensuring that no participant is operating on stale information.

5.3 Automated Coupon/Dividend Payment Remittance

The Co-op Pay Financial Services switch eliminates the risk of missed coupon payments.

- **Atomic Settlement:** On the scheduled payment date, the switch pulls the gross coupon obligation from the issuer's escrow node and splits it into individual micro-payments, which are credited directly to the digital wallets of all registered debenture holders.
- **Settlement Finality:** Because the process occurs at the protocol level, there is no "clearing lag," and the transaction is recorded as an immutable ledger entry.

5.4 Governance Audits (Annual ICM Review)

While the exchange monitors financial data in real-time, it mandates a physical/administrative audit to ensure that the cooperative's governance remains compliant.

- **Annual ICM Review:** Conducted by the Institute of Cooperative Management (ICM), this audit verifies that the issuer is still adhering to the "One Member, One

Vote" principle, maintaining a healthy board structure, and upholding the cooperative values outlined in their charter.

- **Compliance Certification:** Successful completion of the audit is required to maintain the "Tradeable" status of the issuer's debentures. A failed audit results in an automatic "Trading Suspension" signal pushed to the exchange's order book until the governance anomaly is rectified.

6.0 SUSPENSION, DE-LISTING & REMEDIATION

The Co-op Debenture Exchange (CDEX) utilizes a deterministic "Status Engine" to manage the lifecycle of listed debentures. This ensures that the market remains protected from insolvent, non-compliant, or fraudulent issuers, while providing clear, transparent exit paths for participants.

6.1 Grounds for Automatic Suspension (Tier 1 & Tier 2)

Suspension is triggered automatically by the platform's compliance engine when specific risk thresholds are breached.

- **Tier 1 (Technical Suspension):** Triggered by minor or transient failures, such as a missed quarterly reporting deadline or a failure to provide updated registry documentation. These suspensions are temporary and auto-resolve once the data payload is received.
- **Tier 2 (Integrity Suspension):** Triggered by critical failures, such as a breach of collateral ratios (dropping below 110%), discovery of material misrepresentation in the prospectus, or an "ICM Audit" failure. Tier 2 requires manual intervention from the Compliance Desk to lift.

6.2 Voluntary Delisting Procedures

An issuer may request to delist its debentures provided they meet strict protection requirements for existing investors.

- **Investor Consent:** The issuer must provide proof of an 85% supermajority vote by the debenture holders approving the early redemption or conversion of the debt.
- **Redemption Buffer:** The issuer must deposit the full value of the outstanding debentures plus any accrued interest into the CDEX Escrow Node. Only when these funds are confirmed and distributed to investor wallets is the delisting finalized and the listing removed from the order book.

6.3 Regulatory Override & SECZ Intervention Protocols

In extreme cases, the Securities and Exchange Commission of Zimbabwe (SECZ) retains the authority to force a delisting.

- **Emergency Command:** The SECZ surveillance terminal can push an `EMERGENCY_DELIST` command to the CDEX API. This bypasses the Exchange's internal governance and immediately halts all trading on the specified instrument.
- **Regulatory Justification:** Such actions are typically reserved for instances of systemic fraud, widespread market manipulation, or direct threats to the stability of the cooperative financial sector.

6.4 Participant Recourse in Delisting Events

CDEX is designed to prioritize the protection of the retail cooperator during delisting events.

- **Frozen Asset Guarantee:** In any delisting event, investor capital is not trapped. If the issuer cannot provide the redemption funds, the Exchange triggers the **Fidelity Guarantee Fund**, ensuring that debenture holders are made whole up to the insured value of the instrument.
- **Transparency Dashboard:** Every delisting event triggers a mandatory "Reason for Delisting" notice pushed to the `coops.africa` user interface, ensuring participants understand the forensic cause, the recovery status, and their legal rights regarding remaining claims against the issuer's assets.

7.0 APPENDICES & SUPPLEMENTAL DATA

To ensure that the listing process remains standardized across the `coops.africa` platform, all supplemental data must be submitted using the prescribed exchange-approved templates. These templates are designed to be ingested directly by the compliance engine, ensuring that metadata, financial figures, and governance declarations are correctly indexed and audited.

7.1 Form E-101: Admission Application Template

The *Form E-101* is the formal legal instrument used by a cooperative to petition for admission to the CDEX secondary market. It is not a document to be drafted from scratch, but rather a digitized data-entry form.

- **Section A: Entity Identification:** Requires the registration number under the Co-operative Societies Act [Chapter 24:05], the date of incorporation, and the registered physical and digital address of the cooperative's primary operating node.
- **Section B: Capitalization & Tranche Details:** Requires the input of the total debenture value sought, the proposed interest rate (coupon), the maturity duration, and the specific warehouse receipt or digital asset IDs to be pledged as collateral.
- **Section C: Governance Affirmation:** A legally binding declaration that the cooperative board has passed the necessary resolutions to issue debt and that the cooperative remains in "Good Standing" with the Ministry of Industry and Commerce.
- **Section D: Technical & Regulatory Contact:** Identification of the cooperative's technical signatory authorized to interact with the CDEX API and the Compliance Desk.

Note to Applicants: The *Form E-101* must be submitted electronically via the **Digital Arbitration & Compliance Portal**. The system will perform an initial "sanity check" to ensure all mandatory fields are populated before it is routed to the Institute of Cooperative Management (ICM) for the governance certification audit. Applications submitted with incomplete data will be automatically rejected by the platform, requiring the issuer to correct and re-submit the data payload.

7.2 Schedule of Listing Fees

All fees associated with the listing and maintenance of debentures on the Co-op Debenture Exchange (CDEX) are non-refundable and subject to the platform's "Zero-Discretion Fee Logic," ensuring that charges are processed atomically upon the successful completion of the relevant administrative or compliance milestone.

Fee Category	Description	Amount / Rate	Triggering Event
ICM Governance Audit	Certification of cooperative bylaws and board integrity.	\$250.00 USD	Submission of Application
Prospectus Vetting	Forensic review of offer terms and collateral.	0.10% (Capped \$2,500)	Prospectus Submission
Primary Placement Fee	Technical infrastructure for debenture launch.	0.25% - 0.40%	Launch of Tranche
Registry Maintenance	Annual hosting of digital identity nodes.	\$1.00 USD/annum	Anniversary of Admission
Manual Rectification	Administrative override for "fat-finger" errors.	\$150.00 USD	Per reconciliation event
Arbitration Filing Fee	Formal appeal to internal Appeals Board.	\$500.00 USD	Filing of Appeal

Fee Payment Protocols:

- Escrow Extraction:** For primary placement commissions, the CDEX system automatically extracts the fee from the issuer's clearing escrow account at the exact moment the debenture tranche is declared "Live."

- **Automated Debit:** Annual maintenance fees are debited via smart contract from the cooperative's registered wallet node. If the wallet balance is insufficient, the account status is automatically toggled to "Dormant," restricting the entity's ability to issue new tranches or facilitate secondary market trades.
- **Audit Trail:** Every fee extraction event is recorded in the immutable audit log and mirrored to the SECZ surveillance terminal, ensuring total compliance with the Exchange's governing charter.

Note: As per Section 6.0 of the Master Shareholders' Agreement, any proposed modification to this fee schedule requires an 85% Board supermajority, Founder approval, and a mandatory 30-day regulatory notice period.

7.1 Form E-101: Admission Application Template

As established, the *Form E-101* functions as a structured data payload rather than a traditional paper document. Its digitization is essential for the automated vetting processes managed by the CDEX compliance engine.

- **Section A: Entity Identification:** This section maps directly to the national cooperative registry. The system uses this data to instantly verify the legal standing of the applicant against the Co-operative Societies Act [Chapter 24:05].
- **Section B: Capitalization & Tranche Details:** This information is parsed into the exchange's smart-contract factory. It defines the economic parameters of the issuance, which the matching engine will later use to allocate tokens to participant wallets.
- **Section C: Governance Affirmation:** This acts as a digital cryptographic attestation. By submitting this, the cooperative board assumes legal responsibility for the accuracy of the disclosures, a prerequisite for the Institute of Cooperative Management (ICM) to perform its audit.
- **Section D: Technical & Regulatory Contact:** This creates a secure communication channel (mTLS) between the issuer's infrastructure and the CDEX Compliance Desk.

Procedural Note for Applicants

It is critical to understand that the **Digital Arbitration & Compliance Portal** acts as an automated "gatekeeper."

1. **Sanity Check:** Upon submission, the engine validates that every field in Sections A through D contains data that matches the expected schema.
2. **Automated Rejection:** Should the data payload fail to meet the required formatting or if any mandatory field is null, the application is rejected in milliseconds.
3. **Routing:** Only validated applications are forwarded to the ICM. This ensures that the ICM's manual oversight is reserved strictly for complex governance assessments rather than simple data entry correction, thereby maximizing the efficiency of the entire admission pipeline.