

SPECIAL GAZETTE OF STRATE LTD

2 July 2001

3-2001 DIRETIVE SCP – PENALTY SCHEDULE 1

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1. CSD Participants are advised that the letter “S” has been added to the number of all STRATE directives in order to distinguish STRATE’s directives from the JSE directives.

2. INTRODUCTION OF NEW DIRECTIVE – SCP – Penalty schedule 1

CSD Participants are advised that Directive SCP – Penalty schedule 1 has been approved by the Board of Directors on 21st June 2001. This directive comes into effect as set out in item 3 below.

The attached penalties will be levied by STRATE with effect from 1st August 2001. [See Explanation on implementation of penalties below]

Notwithstanding the provisions of the explanation, disciplinary action in terms of the CSD Rules may be taken.

3. IMPLEMENTATION OF PENALTIES IN THE STRATE ENVIRONMENT

Kindly note that the impending introduction of the Corporate Actions and Securities Lending and Borrowing modules as well as the taking on of the more liquid counters in terms of the Dematerialisation schedules could cause the participants some difficulties and that these issues, when seen in conjunction with the migration of the infrastructure, may result in an initially higher incidence of default.

This is particularly relevant for item 1.1 and as a result it has been decided that the implementation of the penalties relating to this type of infringement be phased in. While infringements to all of the items will be policed from 1 August 2001, item 1.1 will initially attract a full rebate until 1 October 2001 after which a fee of 50% of the R10 000 will be levied for all defaults. Full implementation will be effective from 1 January 2002.

Note that items 1.2, 1.3 and 1.4 are fully effective from 1 August 2001.

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Head – Regulations