

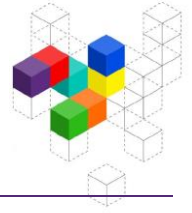
Directive of Strate Proprietary Limited

Special Gazette No B4-2015

Strate Directive SD.3

Processing of Capital Events - Bonds





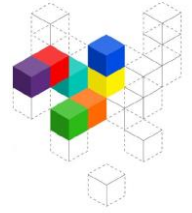
To facilitate, *inter alia*, the payment and or distribution by Participants to Clients of interest, capital redemption payments, notices, reports, circulars or other information or payments received by the CSD from Issuers or Issuer agents

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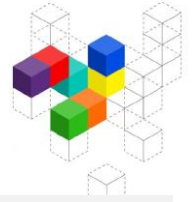
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¹ Amended with effect from 2 January 2015



1 DISCLAIMER

- 1.1 The CSD does not make any representations or warranties, express or implied, as to the accuracy, completeness or reliability of information contained in any Announcements published by Issuers, or an Exchange, and sent by the CSD.
- 1.2 The CSD shall not be liable to any person for any delays in the sending or non-receipt of:
 - 1.2.1 Announcements or other information published by Issuers or an Exchange; or
 - 1.2.2 payments and other entitlements.
- 1.3 The CSD shall not be responsible or liable to any person for any loss or damage resulting from:
 - 1.3.1 negligence, on the part of the CSD or on the part of any employee or agent of the CSD;
 - 1.3.2 any delay, act or omission on the part of any third party;
 - 1.3.3 incorrect, inaccurate, defective or misleading information furnished or supplied by any third party; or
 - 1.3.4 the interruption or failure of communications links, power failure, the loss or destruction of any data and any loss or damage caused by natural disaster, riot, insurrection, acts of vandalism, sabotage or similar cause.
- 1.4 The CSD shall not be liable for any loss incurred by any person as a result of amendments to or cancellation of any Capital Event by the Issuer, an Exchange or authorised third party.
- 1.5 The CSD shall not be liable for any loss, damage or claim incurred by any person, including but not limited to Issuers, Participants and/or Clients of Participants, as a result of the A rated bank, in whose account the cash entitlements are held, being declared insolvent, becoming the subject of business rescue proceedings or having a curator appointed in terms of any law, prior to those cash entitlements being distributed.



2 INTERPRETATIONS AND DEFINITIONS

In this Directive, any interpretation, word, or expression to which a meaning has been assigned in the CSD Rules (“the Rules”) bears a meaning so assigned to it.

‘Books Closed Period’ means the time between LDR and Payment Date during which time any new registrations shall be ex-entitlement;

‘Capital Event’ means an action taken by an Issuer or any other entity or third party which affects the holders of Securities in terms of entitlements or notifications;

‘Capital Event Information’, means the essential terms of the Security, including but not limited to Interest Payments, Redemption, LDR, PD, tax or any other information as stipulated by the Issuer;²

‘CSD System’ means the computer system or systems and associated network or networks operated or used by the CSD for the purpose of clearing and settlement of Securities, or any other purpose of the CSD in terms of the Act;³

‘End of Day (EOD)’ means the time as stipulated in Directive SD.1 – *Operational Market Windows – On-market – Bonds*;

‘Interest Payments’ means income payments due to the holders of the Securities as stipulated in the Capital Event Information or as stipulated by the Issuer.⁴

‘Issuer Agent’ means any person appointed by an Issuer to act as its agent in the performance of the functions set out in this Directive, and includes any transfer secretary appointed by such Issuer;

‘LDR’ means Last Day to Register, being close of business on the last day an investor may send a certificate to the Issuer Agent for transfer into the investor’s name and the day on which all current registered holders will be eligible for an entitlement as stipulated in the Capital Event Information;⁵

‘PD’ means Payment Date, the date on which entitlements will be paid by the CSD to the Participants;

‘PD-X’ means Payment Date minus X Business Days;

‘Redemption’ or ‘Redemption Payment’ means the repayment to investors by an Issuer of the principal or other applicable amount as specified by the Issuer.

3. CAPITAL EVENT INFORMATION⁶

3.1 The Issuer or the Issuer agent must in a time, manner and form as set out by the CSD, provide the CSD with the Capital Event Information and in respect of unlisted Securities, whether the Interest Payments are subject to withholding tax.

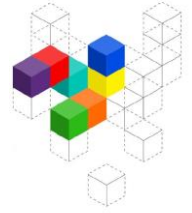
² Inserted with effect from 2 January 2015

³ Amended with effect from 14 July 2014

⁴ Amended with effect from 2 January 2015. ‘Listing Information’ removed with effect from 2 January 2015

⁵ Amended with effect from 2 January 2015

⁶ Amended with effect from 8 June 2015



- 3.2 Where the Issuer or the Issuer agent fails to provide any Capital Event Information, the CSD will default the relevant indicators of such Capital Event to 'No'.

4. CALCULATION OF ENTITLEMENTS⁷

- 4.1 Holdings for the purposes of calculating the Interest Payments shall be those holdings held in the CSD as at EOD on LDR.
- 4.2 Holdings for the purposes of calculating the partial or full Redemption Payments shall be those holdings held in the CSD as at EOD on PD-1.
- 1.
- 4.3 The CSD shall calculate the entitlement due to the Participant based on that Participant's holdings in its Central Securities Account, and its Clients' Segregated Depository Accounts, at the time stipulated in 4.1 or 4.2 above.⁸

5. BOOKS CLOSED PERIOD⁹

- 5.1 Any Client whose Securities are deposited or where transfer of ownership is registered in the CSD or Participants during the Books Closed Period shall not be eligible for the entitlement in 4.1 above.

6. PAYMENT ADVICE¹⁰

- 6.1 Where it is an interest or a partial or full Redemption Payment, the Issuer or the Issuer agent is required to provide the CSD with the amount and method of payment by the Issuer by EOD on PD-2.
- 6.2 Where the CSD does not receive the payment advice as stipulated in 6.1, it shall:
- 6.2.1 notify the Participants of such non receipt by 10h00 on PD -1;
- 6.2.2 not be obliged to pay the Participants and the Participants, Issuers and the Issuer agents indemnify the CSD from any liability arising from non-payment.

7. PAYMENT DATE¹¹

- 7.1 Issuers must irrevocably fund the CSD's designated bank account with the total cash entitlements via SAMOS by no later than 10h00 on PD.

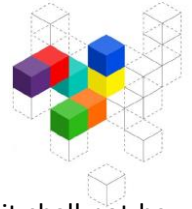
⁷ Re-numbered with effect from 1 July 2012 and 2 January 2015

⁸ Amended with effect from 2 January 2015

⁹ Re-numbered and amended with effect from 2 January 2015

¹⁰ Re-numbered and amended with effect from 2 January 2015

¹¹ Re-numbered and amended with effect from 2 January 2015



- 7.2 Where the CSD does not receive full and irrevocable payment as stipulated in 7.1, it shall not be obliged to pay the Participants and the Participants, Issuers and the Issuer agents indemnify the CSD from any liability arising from non-payment.
- 7.3 Where the CSD receives the payment after 15h00 on PD, it shall notify the Participants of the late payment and pay the Participants on the next Business Day.
- 7.4 Participants must ensure that they pay their Clients on the same day that payment is received from the CSD.
- 7.5 The CSD shall on PD reduce the balance of the Issuer or the Issuer agent's account within its Central Securities Account at the CSD in respect of that class of Securities which is being redeemed, and reduce the Participants' and applicable Clients Segregated Depository Accounts balances based on their individual holdings.
- 7.6 On PD, the Issuer or the Issuer agent must reduce in the Issuer's Securities register the reduction of the Securities held in the CSD in that class of Securities by the number of Securities redeemed.