

# Directive of Strate Proprietary Limited

Special Gazette No Y2-2017

Strate Directive SH.1

Operational Market Windows and Securities Processing – Equity Securities – 4  
Africa Exchange (4AX)





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**To cater for the Settlement of transactions in equity Securities traded on 4AX; to cater for the Settlement of Off-Exchange Trades, to provide for special circumstances under which commitments to Settle transactions in equity Securities traded on 4AX may be reversed, to cater for the processing of corporate actions; to cater for proxy voting; and to cater for other related matters.**

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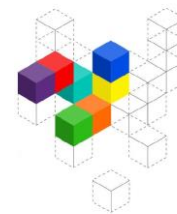
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<sup>1</sup> Amended with effect from 24 March 2017



## 1. INTERPRETATION AND DEFINITIONS<sup>2</sup>

### 1.1 Types of Transactions:

- 1.1.1 DVP – Delivery Versus Payment
- 1.1.2 RVP – Receive Versus Payment
- 1.1.3 DFP – Deliver Free of Payment
- 1.1.4 RFP – Receive Free of Payment

### 1.2 In this Strate Directive, any interpretation, word or expression to which a meaning has been assigned in the Strate Rules bears the meaning so assigned to it.

‘4AX’, ‘4AX Exchange’ or ‘the Exchange’ means 4 Africa Exchange Proprietary Limited (registration number 2013/031754/07);

‘Account Transfer’ means a free of payment transfer, resulting in no change in beneficial ownership, between a Client’s Securities Accounts, either at a single Participant or between Participants;

‘Announcement’ means all notices regarding rights and other benefits accruing to owners of Securities, which are published by Issuers in terms of the 4AX Listing Requirements;

‘BOD’ means ‘Beginning of Day’ and is the time as stipulated in this Strate Directive;

‘Broker’ means an Authorised User, being a person authorised by 4AX in terms of the 4AX Exchange rules to perform such Securities Services as the 4AX Exchange rules may permit;

‘Business Partner’ means an entity which is not a Participant and which electronically interfaces with Strate to perform an essential market function;

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

‘Default Option’ means the election option announced by the Issuer or Transfer Agent that is applied to the Clients’ holdings if the Client fails to make an election;

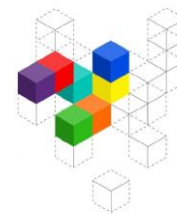
‘EOD’ means ‘End of Day’ and is the time as stipulated in this Strate Directive;

‘Ex-date’ means the date from which any transaction in that Security excludes the right to receive entitlements relating to the relevant Corporate Action. Ex-date is equal to LDT+1;

‘ISIN’ means the International Securities Identification Number which is a unique internationally recognised Securities identification number that identifies the specific Security;

‘LDT’ means Last Day to Trade, which is the last date that anyone can trade On-Exchange in order to qualify or participate in a Corporate Action;

<sup>2</sup> Amended with effect from 24 March 2017



‘MT XXX’ means the applicable SWIFT message type as identified by SWIFT from time to time;

‘Meeting Record Date’ means the Record Date used for the purpose of determining which Shareholders are entitled to participate in and vote at a Shareholders meeting;

‘Off-Exchange Trade’ or ‘Off-Exchange’ means a transaction in Securities which is not executed on the 4AX Exchange;

‘On-Exchange Trade’ or ‘On-Exchange’ means a transaction in Securities executed on the 4AX Exchange;

‘Payment Date’ means the date on which entitlements are paid;

‘Portfolio Movement’ means a free of payment transfer, resulting in no change in beneficial ownership, of a Client’s Securities portfolio when such Client changes service providers. The Portfolio Movements may take place between two Participants, two Brokers, two Investment managers or a combination thereof;

‘RD+X’ means the Record Date plus X Business Days, ‘X’ being the number of Business Days stipulated in the Announcement and or Strate Directive;

‘RD-X’ means the Record Date minus X Business Days, ‘X’ being the number of Business Days stipulated in the Announcement and or Strate Directive;

‘Record Date’ or ‘RD’ means the date on which the holdings, upon which the Corporate Action entitlement is based, are ascertained;

‘S’ means Settlement date, which is the Business Day on which a transaction in a particular Security is Settled through Strate;

‘Same Day Settlement’ or ‘Same Day’ means a transaction booked to Strate on the same day on which Settlement occurs, irrespective of the actual trade date;

‘SDA’ means Segregated Depository Account;

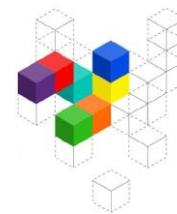
‘Strate Operations’ means the operations division of Strate responsible for communication between Participants, Exchanges, Authorised Users and Strate relating to Settlement operations;

‘Strate System’ means the computer system or systems and associated network or networks operated or used by Strate for the purpose of Clearing and Settlement of transactions in Securities, or any other purpose performed by Strate in terms of the Act;

‘SWIFT’ means Society for Worldwide Interbank Financial Telecommunications;

‘T’ means trade date, the day on which a particular Security was traded;

‘T+X’ means trade date plus X Business Days, ‘X’ being the number of Business Days stipulated in the Strate Directive; and



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

## 2. SETTLEMENT OF ON-EXCHANGE TRADES<sup>3</sup>

### 2.1 General

2.1.1 The following are the basic considerations and assumptions on which the operational timings in this Strate Directive are based:

- 2.1.1.1 the timings are those established in the Strate System;
- 2.1.1.2 for all incoming messages, it is ‘Received Time’ by the Strate System;
- 2.1.1.3 for all outgoing messages, it is ‘Sent Time’ by the Strate System;
- 2.1.1.4 for internal processing, it is ‘Processing Time’ by the Strate System; and
- 2.1.1.5 the same rules will apply to On-Exchange and Off-Exchange transactions.

2.1.2 A Participant must have at least opened one SDA at Strate.

2.1.3 The timings on transaction acceptance, confirmations and commitments, as provided for in this Strate Directive are not driven by system controls. As a result, it is possible that the Strate System might accept inputs beyond these timings. Such acceptances must not be seen as an assurance that the transactions will Settle.

### 2.2 Operational Timings

The following operational timings apply in respect of the Settlement of transactions in equity Securities traded on the 4AX Exchange. These operational timings are based on the assumptions and considerations provided in sub-section 2.1.

2.2.1 Strate’s EOD is at 19h00. Should 4AX Exchange or Participants require Strate to move the EOD parameter beyond 19h00, the requestor needs to inform Strate in writing by no later than 17h30 on such day.

2.2.2 The Settlement cycle for On-Exchange Trades is T+3. 4AX Exchange sends On-Exchange Trades to Strate by 16h30 on T.

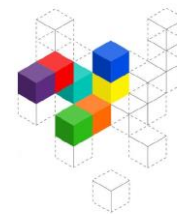
2.2.3 Strate will bulk and send On-Exchange Trades to Participants on T, upon receipt of such On-Exchange Trades from 4AX Exchange.

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<sup>3</sup> Amended with effect from 24 March 2017



- 2.2.4 Where Strate receives On-Exchange Trades from 4AX Exchange between 16h30 and EOD on T, Strate will send the On-Exchange Trades to Participants in real time on T. On-Exchange Trades received after EOD will be bulked and sent to Participants as part of the BOD process the following Business Day. On-Exchange Trades received on T+1 will be sent to Participants in real-time. Participants may reject On-Exchange Trades received from Strate. Rejections of these On-Exchange Trades must reach Strate by 17h00 on T+1.
- 2.2.5 Participants must ensure that an instruction is received from its Client prior to committing to On-Exchange Trades.
- 2.2.6 Participants must commit to On-Exchange Trades by 15h00 on T+2. If a Participant is unable to commit to the On-Exchange Trades, it must inform Strate Operations and 4AX Exchange of its intentions and reasons for failing to commit. Any late commitments must reach Strate by EOD on T+2.
- 2.2.7 Participants may “un-commit” to On-Exchange Trades prior to 15h00 on T+2. After 15h00, Participants may un-commit in exceptional circumstances and in consultation with Strate Operations and 4AX Exchange in accordance with section 4 below.
- 2.2.8 Settlement of committed On-Exchange Trades is initiated as part of Strate’s BOD process on S. Strate sends Settlement confirmation messages to Participants and 4AX Exchange once Settlement is completed.
- 2.2.9 It is the responsibility of Participants to reconcile their Securities positions in the Strate System. For this purpose, the Strate System generates a statement of holdings message daily at 18h00 and sends it to Participants. In case of any discrepancies, Participants are required to request the audit trail details by requesting a statement of transactions message.
- 2.2.10 If On-Exchange Trades are rejected by Participants in terms of 2.2.4 above, 4AX Exchange may amend the On-Exchange Trades by way of a cancellation from T up to 14h00 on T+2.



### 3 SETTLEMENT OF OFF-EXCHANGE TRADES<sup>4</sup>

#### 3.1 Matching

The matching criteria for all Off-Exchange Trades consists of first and second level matching.

3.1.1 The first level matching is:

- ISIN
- Settlement type (RFP/DFP)
- Securities quantity
- Trade date
- Settlement date
- Trading party's / counterparty's Client Securities Account number
- Trading party's / counterparty's Participants' BP ID (Business Partner identification number)

3.1.2 The second level matching is:

- Client type
- Consideration / Rand amount
- Taxable indicator

#### 3.2 Permitted Off-Exchange Trades

Participants must only report to Strate the following Off-Exchange Trades that do not result in a change of beneficial ownership:

- Account Transfers
- Portfolio Movements
- Dematerialisation
- Rematerialisation

#### 3.3 Internal Account Transfers and Portfolio Movements

A Participant must report to Strate all internal Account Transfers and Portfolio Movements where the Participant is Settling both legs of the Off-Exchange Trades.

#### 3.4 Account Transfers

3.4.1 Same Day Settlement of Account Transfers between Participants, and internally involving a single Participant, is permitted. The transaction indicator for an Account Transfer is "30".

3.4.2 All Account Transfers must be reported to Strate, matched and committed by 18h00 on S.

3.4.3 Account Transfers are permitted provided that there is no change in beneficial ownership.

<sup>4</sup> Amended with effect from 24 March 2017



3.4.4 In respect of Securities where there is a pending Corporate Action, Participants must report to Strate and match Account Transfers for Same Day Settlement by 09h00 on RD, and the Participant must commit by 10h00 on RD.

3.4.5 Participants must process Account Transfers as free of payment (RFP/DFP) transactions.

### 3.5 Portfolio Movements

3.5.1 Same Day Settlement of Portfolio Movements between Participants and internally involving a single Participant, are permitted. The transaction indicator for a Portfolio Movement is “31”.

3.5.2 All Portfolio Movements must be reported to Strate, matched and committed by 18h00 on S.

3.5.3 Portfolio Movements are permitted provided that there is no change in beneficial ownership.

3.5.4 In respect of Securities where there is a pending Corporate Action, Participants must report to Strate and match Portfolio Movements for Same Day Settlement by 09h00 on RD, and the Participant must commit by 10h00 on RD.

3.5.5 Participants must process Portfolio Movements as free of payment (RFP/DFP) transactions.

### 3.6 Dematerialisation

Dematerialisation must be processed in accordance with Strate Directive SB.1 – *for Conversion of Certificated Securities to Uncertificated Securities and Vice Versa – Equity Securities*.

### 3.7 Rematerialisation

Rematerialisation must be processed in accordance with Strate Directive SB.1 – *Procedure for Conversion of Certificated Securities to Uncertificated Securities and Vice Versa – Equity Securities*.

## 4. SPECIAL CIRCUMSTANCES FOR THE REVERSAL OF TRADES<sup>5</sup>

4.1 A committed transaction may, between 15h00 and EOD on T+2, only be reversed under exceptional circumstances. All applications for such a reversal are required to be processed in consultation with 4AX Exchange via Strate Operations.

4.2 For the purposes of this Strate Directive, exceptional circumstances will be determined by the Controlling Body. The Controlling Body has determined the following circumstances. Additional circumstances may be determined by the Controlling Body upon request.

4.2.1 The issue of an order or notice pertaining to an Insolvency Proceeding against a Client of a Participant; or

4.2.2 Reversal instructions from 4AX Exchange.

<sup>5</sup> Amended with effect from 24 March 2017





4.3 In the case of an Insolvency Proceeding in paragraph 4.2.1 above, the Participant must submit a copy of the relevant order or notice to Strate Operations.

4.4 The Moment of Finality of Instructions referred to in the Strate Rules is 19h00 on T+2.

## 5. PROCESSING OF CORPORATE ACTIONS<sup>6</sup>

### DISCLAIMER<sup>7</sup>

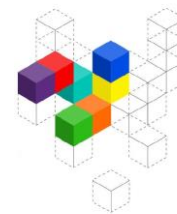
- a. Strate does not make any representations or warranties, express or implied, as to the accuracy, completeness or reliability of information contained in any Announcements published by Issuers, or an Exchange, and sent by Strate.
- b. Strate will not be liable to any person for any delays in the sending or non-receipt of:
  - Announcements or other information published by Issuers or their agents, or an Exchange; or
  - Payments and other entitlements.
- c. Strate will not be responsible or liable to any person for any loss or damage resulting from:
  - any delay, act or omission on the part of any third party;
  - incorrect, inaccurate, defective or misleading information furnished or supplied by the Issuer or its agent, an Exchange or any third party; or
  - the interruption or failure of communication 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.
- d. Strate will not be liable for any loss incurred by any person as a result of amendment and /or cancellation of any Corporate Action by the Issuer or its agent, an Exchange or any third party.
- e. Strate will not be liable for any loss, damage or claim incurred by any person, including but not limited to Issuers, Participants, Nominees and/or Clients of Nominees, as a result of the 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.

### 5.1 Announcements

- 5.1.1 Strate obtains Announcements from 4AX Exchange. Strate thereafter creates the Corporate Action Announcement in the form of an MT564 message, even where this does not contain all the pertinent details. Strate distributes the Announcement to all Participants, who are in turn responsible for notifying their Clients who hold the respective Securities.

<sup>6</sup> Amended with effect from 24 March 2017

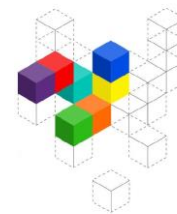
<sup>7</sup> Amended with effect from 24 March 2017



- 5.1.2 The Participant may elect not to send Announcements as set out in 5.1.1 where:
- 5.1.2.1 The salient details of such Announcements are incorporated in a company notice, report or circular which has been, or will be, sent directly to Clients by an Issuer;
  - 5.1.2.2 Clients have elected not to receive such Announcements;
  - 5.1.2.3 Clients have instructed the Participant to act on their behalf without reference; or
  - 5.1.2.4 the Issuer is not required to send the Announcement by 4AX Exchange and/or the Companies Act.
- 5.1.3 As updated or additional information relating to the Corporate Action is published, the original Announcement is enhanced and the additions or updated information must be distributed as set out in 5.1.1 and 5.1.2.
- 5.1.4 Strate sends an MT564 COMP message once all conditions are final, subject to changes in such Announcements being published by the Issuers or 4AX Exchange.
- 5.1.5 Participants must, where relevant and subject to 5.1.2, provide all the salient details as contained in the MT564 COMP message to their Clients on receipt from Strate as set out in 5.1.4.
- 5.1.6 Where cash entitlements are announced by 4AX Exchange, the Issuer or Transfer Agent as a number of cents per share, Strate converts the cash rate in the Announcement to a number of Rands per share, in order to comply with the SWIFT standards.
- 5.1.7 Where Strate calculates entitlements based on the cash rate and/or Securities ratios, it announces such calculations to not more than 15 (fifteen) decimal places.

## 5.2 Dematerialisation and Rematerialisation Orders

- 5.2.1 With respect to Securities affected by a Corporate Action, Participants must not send any Dematerialisation or Rematerialisation orders to Strate after LDT. Participants must only recommence sending any Dematerialisation or Rematerialisation orders from RD+1.
- 5.2.2 With respect to Securities affected by a Corporate Action, Participants and Issuers or Transfer Agents must finalise the processing of any Dematerialisation or Rematerialisation orders that were outstanding on LDT, by 16h00 on RD-1.
- 5.2.3 With respect to Securities affected by a Corporate Action, the Issuers or Transfer Agents must not send any instructions for the allotment of Securities or for the cancellation or reduction of Securities to Strate between LDT+1 and RD.



### 5.3 Ex-Date

- 5.3.1 Participants must exclude from elections and entitlements all transactions concluded on or after Ex-date, except where such transactions are Off-exchange Trades which are due to settle on or before Record Date.

### 5.4 Election

- 5.4.1 Participants and Clients must anticipate their Record Date holdings by taking into account all un-Settled transactions which are due to Settle on or before Record Date.
- 5.4.2 Participants must obtain their Clients' election instructions based on the anticipated Record Date holdings and:
  - 5.4.2.1 reconcile the holdings on which the Clients have elected against the anticipated Record Date holdings, and
  - 5.4.2.2 aggregate or split their Clients' election instructions and send these to Strate for each of their SDAs in accordance with 5.4.3.
- 5.4.3 Participants must send the election instructions referred to in 5.4.2 to Strate in the form of MT565 messages by 13h00 on Record Date, or such other time as stipulated in the Announcement sent by Strate.
- 5.4.4 Where Strate facilitates the processing of voluntary Corporate Actions, including oversubscriptions, Strate will report, and commit to, Off-Exchange Trades on behalf of Participants upon receipt of the Participants' election instructions. Where Strate does not facilitate the processing of voluntary Corporate Actions, these will be processed in accordance with section 6 below.
- 5.4.5 Where a Participant has not provided Strate with election instructions by the date and time stipulated in the Announcement sent by Strate, the Default Option will apply.
- 5.4.6 Where required by Strate, Participants must send to the Issuer or Transfer Agent, with a copy to Strate, the election instructions in the form of a spreadsheet by such time as stipulated in the relevant Announcement sent by Strate.
- 5.4.7 Where no election has been made by a Participant in respect of an elective Corporate Action, the Participant must, by the time stipulated in 5.4.3, notify Strate, via an MT565 message, that no election was made. Participants may send to Strate MT565 messages for each option included in an elective Corporate Action.
- 5.4.8 Where Participants send election instructions to Strate in the form of MT565 messages in respect of elective Corporate Actions, any subsequent MT565 message sent to Strate replaces the previous MT565 message.



- 5.4.9 Transfer Agents must send to Strate MT567 or MT598-915 confirmation messages acknowledging receipt of each MT565 message received from Strate. Where Strate facilitates the processing of voluntary Corporate Actions, including oversubscriptions, Transfer Agents must send to Strate an MT598-915 message, advising Strate of any allotted Securities, and the applicable cash rate and/or Securities ratios.
- 5.4.10 Strate will not be liable for any loss incurred by any person as a result of any over election.

## 5.5 Record Date

- 5.5.1 Determining Record Date holdings requires Participants and Clients to take into account all transactions that are due to Settle on or before Record Date.
- 5.5.2 If, after Settlement has been concluded on Record Date, there is a discrepancy between the election received from the Participant and the holdings in the respective SDA in Strate, Strate will advise the Participant to resolve the discrepancy within 1 (one) hour and amend their election. Thereafter the following action is automatically taken:
- 5.5.2.1 Where the Participant's election exceeds the holdings in the SDA, the election is reduced by the amount in excess.
- 5.5.2.2 Where the Participant's election exceeds the holdings in the SDA and the election covers more than one option, the election in respect of the Default Option is reduced by the amount in excess.
- 5.5.2.3 Where the discrepancy exceeds the quantity elected for the Default Option, this quantity is eliminated and the remaining discrepancy subtracted from the next option. If there are more than two options, the Participant must instruct Strate on the adjustment to be made to the election.
- 5.5.2.4 Where the Participant's election is less than the holdings in its SDA, the Default Option is applied to the remaining holding.
- 5.5.3 Where Strate adjusts the election as provided in 5.5.2, it will advise the affected Participants of the adjusted election via MT564 message by EOD on Record Date.
- 5.5.4 Where Strate adjusts the election in accordance with 5.5.2, Strate will not be responsible or liable to any person for any loss or damage resulting from such adjustments, and Participants indemnify Strate from any loss resulting from such adjustments.
- 5.5.5 After Settlement has been completed on Record Date, Strate will provide the Issuer or Transfer Agent with details of the aggregate number of Securities and or cash due to Strate on Payment Date in respect of Participants' entitlements.
- 5.5.6 After Settlement has been completed on Record Date, Strate will advise Participants of the holdings per SDA on which calculations for their entitlements were based and their expected entitlements based on such holdings.



- 5.5.7 In those cases where the entitlement is distributed through the Clearing and Settlement system of Strate, the details of the Settlement are advised as soon as the orders have been generated by Strate on RD+1.

## 5.6 Payment Date

- 5.6.1 The Issuer must irrevocably fund its bank account with the total cash entitlements in respect of the dematerialised holdings, as provided to the Transfer Agent by Strate, by no later than 10h00 on Payment Date. Strate will facilitate the distribution of the cash entitlements.
- 5.6.2 The Issuer or Transfer Agent must ensure that the Securities are available for distribution by BOD on Payment Date to enable Settlement to take place.
- 5.6.3 Strate will not facilitate the distribution of the cash entitlements or send an MT 566 message to Participants until the cash has been cleared and credited to the Issuer's bank account, in full, and within the time and method outlined in paragraph 5.6.1. Where payment is made to the Issuer's bank account after 14h30 on Payment Date, Strate will notify the Participants of the late payment and process payment to Participants on the next Business Day.
- 5.6.4 Where the Issuer does not fund in full in accordance with 5.6.1, or Strate does not receive either all or part of the Securities in accordance with 5.6.2, Strate will have the right to withhold distribution of cash and/or Securities until after such cash and/or Securities have been received in accordance with 5.6.1 and/or 5.6.2, and Cleared or Settled in full. Strate will not be liable for any interest claims or other liability attaching to non-payment or late distribution of cash or Securities. Where the Issuer does not fund in accordance with 5.6.1, or Strate does not receive all the Securities in accordance with 5.6.2, and within 48 (forty-eight) hours from the Payment Date stipulated in the Announcement, Strate will withdraw the Corporate Action from its system and notify the Participants accordingly. Any entitlements received thereafter will be processed outside the Strate system.
- 5.6.5 Where a Participant or Client entitled to receive the cash, chooses to distribute cash entitlements prior to receiving the cash, Strate will not accept or be held liable for any interest claims or other liability attaching to the payment of funds.
- 5.6.6 Fractions of Securities are calculated and distributed in the manner stipulated by the Issuer in the Announcement sent by Strate.
- 5.6.7 Participants must ensure that they pay their Clients on the same day that payment is received.

## 5.7 Dividend Re-Investments

- 5.7.1 Where Issuers have Securities with an option for re-investment of dividends, such as Exchange traded funds, Participants are required to re-pay to Issuers, via Strate, the dividends received and to be re-invested, less any applicable tax deducted.
- 5.7.2 Participants must irrevocably fund Strate's designated bank account with the total cash entitlements to be re-invested in respect of the dematerialised holdings, as provided by their Clients, via SAMOS by 12h00 on PD+1, and no later than 12h00 on PD+2.



- 5.7.3 Strate will pay to the Issuer any cash entitlements received from Participants where such cash has been credited to Strate's bank account, in full, within the time and method outlined in paragraph 5.7.2. Where Strate receives payment after 15h00 on PD+1, it shall notify the Issuer of the late payment and pay the Issuer on the next Business Day.
- 5.7.4 Where Strate does not receive any payment by 12h00 on PD+2 or other date stipulated in the Announcement, Strate will pay to the Issuer any additional cash received thus far and notify the Issuer accordingly. Any cash not received by Strate by 12h00 on PD+2 must be processed outside Strate system.
- 5.7.5 Strate will not be liable for any interest claims or other liability attaching to pre-payment, non-payment or late distribution of cash.
- 5.7.6 Where an Issuer entitled to receive the cash for re-investment, chooses to re-invest cash prior to receiving the cash from Strate, Strate will not accept or be held liable for any interest claims or other liability attaching to the payment or re-investment of funds.

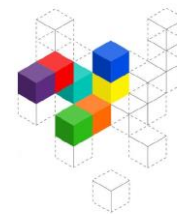
## 5.8 General

Where a Corporate Action does not conform to Strate's system functionality or to the procedures set out in this Strate Directive, such event is processed as determined by Strate in consultation with the Issuer or Transfer Agent and, where practical, the Participants.

## 6. CORPORATE ACTION TRANSACTIONS<sup>8</sup>

- 6.1 A minimum T+1 Settlement cycle is permitted for reporting Corporate Action transactions between Participants and Strate or Participants and Issuers. The Client type for a Corporate Action transaction is "23".
- 6.2 Participants must report to Strate all Corporate Action transactions by 15h00 on S-1.
- 6.3 Other than as provided for in 6.4, Participants must commit to Corporate Action transactions by 17h00 on S-1.
- 6.4 Corporate Action transactions may be committed to by the Participant of the Issuer on a Same Day basis and in terms of the following parameters:
- 6.4.1 for transactions involving payment, committed to by 14h00 on S; and
- 6.4.2 for free of payment transactions, committed to by 18h00 on S.
- 6.5 Participants may report Same Day Corporate Action transactions, subject to prior approval by Strate Operations. An electronic request must be submitted to [stratehelpdesk@strate.co.za](mailto:stratehelpdesk@strate.co.za). The Same Day Corporate Action transactions must be reported, matched, committed and Settled by 14h00 on S for transactions involving payment, and by 18h00 on S for free of payment transactions.

<sup>8</sup> Inserted with effect from 24 March 2017



6.6 New issues are handled on the basis of DvP and RvP orders that are captured by the Participant of the Issuer and the creation of the opposite leg by the counterparty Participant. The Client type for a new issue transaction is “23”.

## 7. PROXY VOTING PROCEDURE<sup>9</sup>

### 7.1 Record of Holdings

- 7.1.1 Strate will provide the Issuer, or the Transfer Agent, with a record of Shareholders’ holdings in the Issuer’s Uncertificated Securities Register per SDA per Participant as at EOD on the Meeting Record Date stipulated in the Announcement sent by Strate.
- 7.1.2 Strate will advise each Participant of its record of Shareholders’ holdings in the Issuer’s Uncertificated Securities Register per SDA as at EOD on the Meeting Record Date.

### 7.2 Participants’ Obligations

- 7.2.1 Participants must facilitate their Clients’ rights to participate and vote in Shareholders meetings, including, notifying their Clients who hold the relevant Securities of all Shareholders meetings and the cut-off time for the submission of their proxy voting instructions and requests for proxy forms.
- 7.2.2 Where Participants receive voting instructions from their Clients, Participants must ensure that proxy forms or other necessary documentation are completed in accordance with the Clients voting instructions and applicable law.
- 7.2.3 Voting instructions must be retained in the same way and for the same period as any other instruction received from a Client.
- 7.2.4 Participants must provide the Issuer, or the Transfer Agent, with proxy forms or letters of representation by the cut-off time stipulated in the relevant Announcement. Subject to 7.3.3 below, Participants must provide the Issuer, or the Transfer Agent, with information relating to their Clients’ voting instructions where written permission has been received from such Clients.

### 7.3 Issuer Obligations

- 7.3.1 Issuers must publish a Meeting Record Date which is at least 3 (three) Business Days prior to the Shareholders’ meeting.
- 7.3.2 Where an Issuer does not publish a Meeting Record Date in accordance with 7.3.1 above, the Meeting Record Date will be deemed to be 3 (three) Business Days prior to the Shareholders’ meeting.

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<sup>9</sup> Amended with effect from 24 March 2017



- 7.3.3 Where an Issuer requests Strate or Participants for information relating to Shareholders' voting instructions received in terms of 7.2.4 above, such request must be submitted in writing to Strate on an official company letter and duly signed.

#### **7.4 Transfer Agent**

- 7.4.1 The Issuer or Transfer Agent must ensure that the total of the Shareholders' holdings in the Issuer's Uncertificated Securities Register referred to in 7.1.1 above agrees with the total of the Dematerialised shares for that Issuer as contained in their records on the date indicated.

### **8 DISCLOSURE OF BENEFICIAL OWNERSHIP (BND)<sup>10</sup>**

The disclosure of beneficial ownership must be processed in accordance with Strate Directive SA.8 – *File Layout for Disclosure of Beneficial Ownership (BND) – Equity and Bond Securities*.

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<sup>10</sup> Amended with effect from 24 March 2017