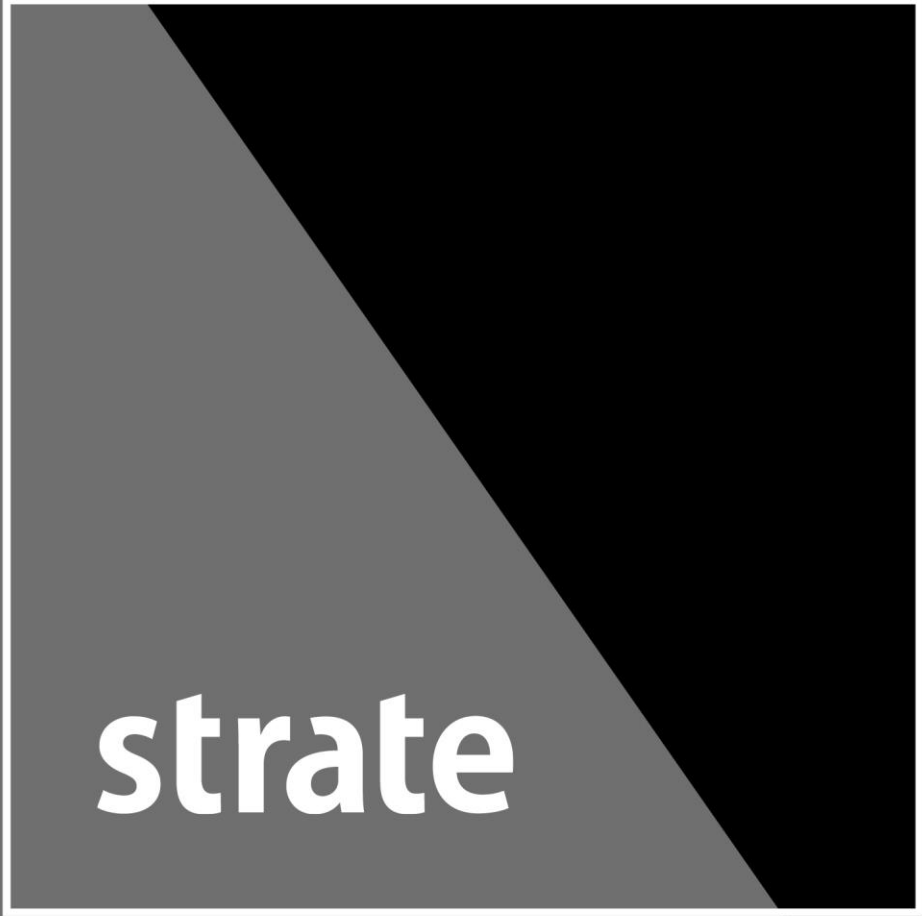


Directive of Strate (Pty) Ltd

Special Gazette No. S3-2025
Strate Directive SH.3

Operational Market Windows for Open Market
– Equities - Cape Town Stock Exchange (CTSE)

The logo consists of a white rectangular border enclosing the word "strate" in a bold, lowercase, sans-serif font. The background of the entire page features a diagonal split: the upper-left portion is dark grey, and the lower-right portion is black. A teal-colored triangle is visible in the bottom right corner, partially overlapping the black area.

strate

To provide for the settlement of transactions in equities traded on CTSE open market

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1. Interpretation and Definitions

This Strate Directive should be read in conjunction with Directive SZ.1 - *Interpretation and Definitions*.

2. General

- 2.1 For consistency, all operational timings are based on the timestamp generated by the Strate System when processing a particular instruction. For the sake of clarity it is recorded that:
 - 2.1.1 the 'Received Time' generated by the Strate System is used for all incoming messages;
 - 2.1.2 the 'Sent Time' generated by the Strate System is used for all outgoing messages; and
 - 2.1.3 the 'Processing Time' generated by the Strate System is used for all internal system processes.
- 2.2 These timing rules apply only to those parties that interface directly with the Strate System.
- 2.3 Where an interfacing party requires input from an underlying 3rd party, it remains the responsibility of that interfacing party to manage that 3rd party in a way that allows them sufficient time to meet the timing rules set out in this Strate Directive.
- 2.4 Each Participant must have at least one Central Securities Account at Strate.
- 2.5 On-market guaranteed and non-guaranteed transactions are identified by a guaranteed/non-guaranteed indicator.
- 2.6 The operational timings that have been set in terms of this Strate Directive represent the time by which a particular transaction acceptance, confirmation and/or commitment must have been concluded at Strate. It is possible that the Strate System might accept inputs beyond these timings and such acceptances should not be seen as an assurance that the transactions will settle.
- 2.6 Transactions captured outside the operational time parameters may result in the levying of a fine against the Participant or Business Partner responsible.

3. Operational Timings and Periods

The timings and periods provided in this Strate Directive operate on the premise that normal operational conditions prevail.

Should an operational delay or disruption impact normal processing, Strate may, in accordance with Strate Rule 2.20, and in consultation with the market, take such action as may be reasonably necessary to prevent, correct or alleviate such a situation, including but not limited to, temporarily amending operational procedures or timelines.

3.1 Strate System

- 3.1.1 The Strate System BOD is scheduled to commence from 03h00 on each workday.
- 3.1.2 Strate will communicate to CTSE and each Participant and Business Partner
 - 3.1.2.1 once the Strate System BOD has concluded
 - 3.1.2.2 any changes in the timing of the Strate System BOD process.
- 3.1.3 In the event that the Strate System BOD is delayed beyond 03h00 and it becomes apparent that this delay will have an effect on the normal performance of settlement and system activities, Strate will, in consultation with the market, implement the necessary adjustment to operational timings so as to ensure that all settlement and system activities can still be concluded on the day.
- 3.1.4 The Securities reservation process within the Strate System is triggered automatically upon the completion of its BOD process.
- 3.1.5 A Participant is obliged to reconcile its Securities' positions in the Strate System. To assist, and at the election of each Participant, the Strate System will generate, and send, a Statement of Holdings (SOH) message to them at 18h00 either on:
 - 3.1.5.1 a daily basis; or
 - 3.1.5.2 only on such days when there has been a change in Securities positions in a Central Securities Account.
- 3.1.6 In case of any discrepancies, the Participants are required to request the audit trail details from Strate by requesting a Statement of Transactions message.
- 3.1.7 The Strate System SOH is released to the market at 18h00. Should an extension of this parameter be required, the requestor needs to inform Strate in writing by no later than 17h00.
- 3.1.8 The Strate System EOD is at 19h00. Should an Exchange or Participant require the parameter to be moved beyond 19h00, the requestor needs to inform Strate in writing by no later than 17h30.

3.2 SAMOS

- 3.2.1 The start time of SAMOS is not controlled by Strate or the Strate System. SAMOS business cycle days are as per the SAMOS published document produced by the National Payment System Department of the South African Reserve Bank.
- 3.2.2 Should the commencement of the settlement window be delayed by SAMOS, Strate will, in consultation with the market, implement the necessary adjustment to operational timings so as to ensure that all settlement and system activities can still be concluded on the day
- 3.2.3 No payment run will be initiated beyond 15h00 unless prior authorisation has been obtained from SAMOS to extend Window 3.

- 3.2.4 A Participant must instruct its settlement bank to fund the applicable SAMOS accounts by 09h00 on S for the first payment run, and within 30 (thirty) minutes of their receipt of the payment advice from Strate for subsequent payment runs.

3.3 Exchange Systems

- 3.3.1 The Settlement cycle for CTSE On-market trades is T+3.
- 3.3.2 The Exchange sends new On-market trades to Strate from 09h00 to 17h00 on T.
- 3.3.3 The Exchange sends corrective On-market trades to Strate between 09h00 and 18h00 on T. Strate will send Participants new and corrective On-market trades upon receipt of such instructions from the Exchange.
- 3.3.4 Any Settlement orders received by the Exchange after its own EOD will be bulked and sent to Strate as part of the Exchange BOD processing for the following Business Day.

3.4 Participants

- 3.4.1 A Participant must ensure that an instruction is received from its Client prior to committing to an On-market trade.
- 3.4.2 A Participant must commit to settlement orders in the Strate System by 15h00 on T+2.
- 3.4.3 Should a Participant not be in a position to commit to the settlement orders, it must inform Strate Settlement Services and the Exchange Settlement Oversight Function of its intention and reasons for the inability to commit.
- 3.4.3 A Participant may reject an On-market trade received from Strate. If an On-market trade is rejected by a Participant, the Exchange may amend the On-market trade by way of a cancellation from 09h00 on T until 18h00 on T+1.
- 3.4.4 A Participant may “uncommit” to a settlement order prior to 18h00 on T+1.
- 3.4.5 Participants may uncommit to a settlement order, without the intention of recommitting, in exceptional circumstances and in consultation with Strate Settlement Services and the Exchange Settlement Oversight Function, between 18h00 on T+1 and 15h00 on T+2, in accordance with Strate Directive SC.3 – *Special Circumstances for the Reversal of Commitments – Equities*.
- 3.4.6 A Participant may uncommit to a settlement order, with the intention of re-committing, between 18h00 on T+1 and 15h00 on T+2.
- 3.4.7 If a Dependency Link is created for an uncommitted transaction, it must conform to the commit cut-off applicable to each linked transaction.
- 3.4.8 In the event of an On-market transaction being impacted by the Exchange’s failed trade management process, Strate will, in consultation with the Exchange, extend the operating windows to enable Participants to uncommit, commit, create Back-to-Back or Dependency Links, or remove Back-to-Back Links.

3.5 Back-to-Back Links

- 3.5.1 In consultation with the Exchange Settlement Oversight Function and affected Participants, Strate Settlement Services will, during the course of T+2, review all potential Back-to-Back Links that may need to be removed.
- 3.5.2 At 15h00 on T+2, Strate Settlement Services will notify affected Participants of the final list of Back-to-Back Links that need to be removed.
- 3.5.3 An affected Participant is required to remove these Back-to-Back Links by:
 - 3.5.3.1 15h15 for Non-controlled orders,
 - 3.5.3.2 17h00 for Broker proprietary orders
 - 3.5.3.3 18h00 for Reverse Substituted orders on T+2.
- 3.5.4 An affected Participant is required to process re-commitments to the remaining transactions within 30 (thirty) minutes of the relevant cut-off defined in 3.5.3 above.
- 3.5.5 Back-to-Back Links for On-market trades must be in place by 15h00 on T+2. If a Dependency Link is created for an uncommitted transaction, it must be in place by 15h00 on T+2.
- 3.5.6 The removal program that breaks the Back-to-Back Links is initiated by Strate Settlement Services, as required and in consultation with CTSE, each Participant and any other applicable Exchange.

3.6 Operational Timings – Exchange Margin Requirement

The following operational timings apply in respect of the Settlement of Exchange Margin Requirement transactions generated by CTSE.

- 3.6.1 The Settlement cycle for CTSE Exchange Margin Requirement transactions is T+0. CTSE will send Strate Exchange Margin Requirement transactions as follows:
 - 2.3.2.1 cash collateral calls and refunds between 09h00 and 15h00 on T;
 - 2.3.2.2 Securities collateral calls and refunds between 09h00 and 17h00 on T.

4. Special Circumstances for the Reversal of Trades

- 4.1 A committed transaction may only be reversed under exceptional circumstances. All applications for such a reversal are required to be processed in consultation with the Exchange via Strate Settlement Services.

4.2 For the purposes of this Strate Directive, the Controlling Body has determined the following exceptional circumstances:

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

4.2.2 A notice of the death of a Client of a Participant; or

4.2.3 Reversal instructions from the Exchange.

Additional circumstances may be determined by the Controlling Body upon request.

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

4.4 The Moment of Finality of Instructions referred to in the Strate Rules is 16h00 on T+2.