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# Practice Note for Equity Corporate Action

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## 1.1 Glossary of Terms

Term	Description
Announcement	Means notices regarding rights accruing to owners of Securities, which are published by Issuers by means of the Securities Exchange News Service (SENS) of the JSE, and where provided to the CSD, company reports and circulars. In respect of Unlisted Securities, Announcements means all notices regarding rights and other benefits accruing to owners of Securities, which are provided by Issuers to the CSD.
Beginning of Day (BOD)	The time as stipulated in Directive SCC – Operational Market Windows – Equities.
Bonus Issue / Capitalization Issue	Bonus, scrip or capitalization issue. Security holders receive additional assets free of payment from the issuer, in proportion to their holding.
Broker	An Authorized User, being a person authorized by an Exchange in terms of the Exchange Rules to perform such Securities services as the Exchange Rules may permit.
Call on Intermediate Securities	Call or exercise on nil paid securities or intermediate securities resulting from an intermediate securities distribution (RHDI). This code is used for the second event, when an intermediate securities' issue (rights/coupons) is composed of two events, the first event being the distribution of intermediate securities.
Capital Gains Distribution	Distribution of profits resulting from the sale of company assets, e.g., Shareholders of Mutual Funds, Unit Trusts, or 'investment company with variable capital' (Sicavs) are recipients of capital gains distributions which are often reinvested in additional shares of the fund.
Capitalization Issue (including a "Bonus Issue" and a "Capitalization Award")	Is an event where fully paid Securities, capitalized from an Issuer's reserves, are issued to existing registered owners (and where applicable for the benefit of Beneficial Owners) in proportion to their holdings on Record Date.
Cash Dividend	Is an event where an Issuer distributes reserves in cash to the registered owners (and where applicable for the benefit of Beneficial Owners).

Term	Description
Claw Back Offer	Is an event where an Issuer issues Securities for cash to a third party and that third party offers all or a portion of such Securities to registered owners (and where applicable for the benefit of Beneficial Owners), in proportion to their holdings.
Conversion	Conversion of securities (generally convertible bonds or preferred shares) into another form of securities (usually common shares) at a pre-stated price/ratio.
Corporate Action	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.
CSD	Central Securities Depository.
CSDP	Central Securities Depository Participant.
Cum	Including or qualifying for an entitlement arising from a Corporate Action.
Declaration Date / Announcement Date	The date on which the Corporate Action and the declaration data (including any conditions precedent to which the Corporate Action is subject) are announced.
Declaration Data	The minimum information to be announced on the Declaration Date (e.g. Security name, ISIN, event type, Last Date to Trade (LDT), Record Date (RD), Payment Date etc).
Default Option	The election option announced by the Issuer or its agent, that is applied to the Clients' holdings if the Client fails to make an election.
Dividend Option	Distribution of a dividend to shareholders with a choice of benefit to receive. Shareholders may choose to receive shares or cash. To be distinguished from DRIP as the company creates new share capital in exchange for the dividend rather than investing the dividend in the market. An event where an Issuer distributes reserves to registered owners (and where applicable for the benefit of Beneficial Owners), and the owner of Securities has the option to elect either capitalization securities or cash.



Term	Description
Dividend Reinvestment	Dividend payment where holders can keep cash or have the cash reinvested in the market by the issuer into additional shares in the issuing company. To be distinguished from DVOP as the company invests the dividend in the market rather than creating new share capital in exchange for the dividend.
Dutch Auction	An action by a party wishing to acquire a security. Holders of the security are invited to make an offer to sell, within a specific price range. The acquiring party will buy from the holder with lowest offer.
DvP	Delivery versus Payment.
Election Deadline Date and Time	Means RD-X or RD+X [the date as stipulated in this Directive] or such other date as may be contained in the Announcement sent by the CSD, 'X' being the number of Business Days stipulated in the Announcement and or Directive.
End of Day (EOD)	The time as stipulated in Directive SCC – Operational Market Windows – Equities.
Entitled Security/code	Long name and Security code for the Security on which the entitlement is awarded.
Entitled Security ISIN	ISIN for the Security on which the entitlement is awarded.
Event type	A classification of a corporate action.
Ex-Date (LDT + 1)	Excluding or non-qualifying for an entitlement arising from a Corporate Action. The day 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.
Exchange	Exchange of holdings for other securities and/or cash. The exchange can be either mandatory or voluntary involving the exchange of outstanding securities for different securities and/or cash. For example "exchange offer", "capital reorganization" or "funds separation".
Excess Application	Shareholders may subscribe for more than they are entitled to.
Exclusions	An Issuer may exclude any dematerialised holdings from qualifying for the distribution of entitlements or participation in an event.
Expiry Date	This is the last date in which the warrant holder can exercise his/her rights.



Term	Description
Finalization Date (LDT-5)	The date on which the event and its details become unconditional in all respects and irrevocable i.e. no further changes to any of the pertinent details can be made by the Issuer and the event can only be cancelled in certain circumstances.
Finalization information	Final information on the Corporate Action to be included in the announcement on the Finalization Date (e.g. Security name, ISIN, event type, Last Date Trade, Record Date, Payment Date etc).
Final Maturity (Redemption)	The redemption of an entire issue outstanding of securities, e.g., bonds, preferred equity, funds, by the issuer or its agent, e.g., asset manager, at final maturity. The Redemption may be partial or full.
First day to trade	This is the first Business Day on which newly issued Securities may be traded.
Fractions	A fraction (from the Latin fractus, broken) is a number that can represent part of a whole.
Interest Payment	An event where interest is paid to registered owners of interest bearing Securities (and where applicable for the benefit of Beneficial Owners), at a fixed or variable rate.
Intermediate Securities Distribution	The distribution of intermediate securities or privilege that gives the holder the right to take part in a future event. An event where an offer is made by an Issuer to registered owners (and where applicable for the benefit of Beneficial Owners), to subscribe for further Securities, or purchase Securities held by the Issuer in other Issuers, in proportion to their existing holdings. This offer is made either by means of the issue of a renounceable letter of right that may be sold, taken up or lapsed or by the issue of a non-renounceable letter which may only be taken up or lapsed.
In the money warrant	Where the price of the underlying asset of the warrant is higher than the strike price of a call warrant or when the price of the underlying asset of the warrant is lower than the strike price in case of a put warrant.
ISIN	International Security Identification Number which is a unique internationally recognized Securities identification number that identifies the specific Security.
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 the Issuer.



Term	Description
JSE	The Johannesburg Stock Exchange The JSE Limited Registration Number 2005/022939/06.
Last Day to Trade (LDT)	LDT is the last date that anyone can trade on market in order to qualify to participate in the corporate event. Currently this is Record Date minus 5.
LDT+X	Last Day to Trade plus X Business Days, "X" being the number of Business Days stipulated in the announcement and or Directive.
LDT – X	Last Day to Trade minus X Business Days, "X" being the number of Business Days stipulated in the announcement and or Directive.
Liquidation Dividend/Liquidation Payment (Interim and Final)	An event where the payment to registered owners (and where applicable for the benefit of Beneficial Owners) is made on the winding up of the company and subsequent termination of the Securities. A liquidation payment can be made in stages (Interim and Final). In the case of an interim liquidation payment, the cash entitlement will be paid out whilst the Securities are still listed. In the case of a final liquidation payment, once the payment has been made, the Securities will be de-listed. A distribution of cash, assets or both. Debt may be paid in order of priority based on preferred claims to assets specified by the security.
Merger / Scheme of Arrangement	Exchange of outstanding securities, initiated by the issuer which may include options, as the result of two or more companies combining assets, i.e., an external, third party company. Cash payments may accompany share exchange. An event where registered owners (and where applicable Beneficial Owners) are obliged to dispose of the relevant Securities in terms of a scheme, for a consideration which may or may not be subject to an election as to its content and, if so, where the registered owner (where applicable acting on the instructions of Beneficial Owners) may exercise the election. The scheme shall have been proposed in terms of Section 311 of the Companies Act, which has been approved by registered owners, where applicable acting on instructions of Beneficial Owners and which shall have been sanctioned by the High Court and where the sanctioning order has been registered by the Registrar of Companies.
Mother Security name/code	Long name and Security code for the Security on which the event has been declared.
MTXXX	The applicable SWIFT message type as identified by SWIFT from time to time.
MT564	Corporate Action Notification
MT565	Corporate Action Instruction

Term	Description
MT566	Corporate Action Confirmation
MT567	Corporate Action Status and Processing Advice
MT568	Corporate Action Narrative
MT548	Settlement Status and Processing Advice
MT910	Confirmation of Credit
MT103	Single Customer Credit Transfer
Name Change	An event where the registered name of a company is changed. Information regarding a change further described in the corporate action details.
NPL	Nil paid letters.
Odd-lot Sale/Purchase	Sale or purchase of odd-lots to/from the issuing company, initiated either by the holder of the security or through an offer made by the Issuer. A quantity of Securities which is less than 100, or a quantity specified by the Issuer as being an odd-lot.
Other	Other event, use only when no other event type applies, e.g., a new event type.
Out the money warrant	Where the price of the underlying asset of the warrant is lower than the strike price of a call warrant or when the price of the underlying asset of the warrant is higher than the strike price in case of a put warrant.
Payment Date	This is the date on which entitlements are paid.
Projected holdings	For the purpose of an election, the total holdings of Securities as at LDT adjusted for any unsettled transactions in the affected Securities that are due to settle on or before Record Date.
Rate	Basis of cash entitlement reflect as a rate.
Ratio	Basis of Security entitlement reflected as a ratio.
Record Date (RD)	The date on which the holdings, upon which the Corporate Action entitlement is based, are ascertained. RD is equal to LDT+5.
Repurchase Offer/ Issuer Bid/Reverse Rights	Offer to existing shareholders by the issuing company to repurchase equity or other securities convertible into equity. The objective of the offer is to reduce the number of outstanding equities.
Reverse Stock Split/Change in Nominal Value (Consolidation)	Decrease in a company's number of outstanding equities without any change in the shareholder's equity or the aggregate market value at the time of the split. Equity price and nominal value are increased accordingly.
RvP	Receive versus Payment

Term	Description
RD+X	The Record Date plus X Business Days, "X" being the number of Business Days stipulated in the announcement and or Directive.
RD-X	The Record Date minus X Business Days, "X" being the number of Business Days stipulated in the announcement and or Directive.
SCA	Safe Custody Account
Scrip Dividend / Payment	Dividend or interest paid in the form of scrip.
SENS	Securities Exchange News Service of the JSE.
Share Instalment	They enable the investor to optimise their exposure to the South African share market by making only a partial payment for their shares.
Share Premium Dividend	This corporate event pays shareholders an amount in cash issued from the shares premium reserve. It is similar to a dividend but with different tax implications.
SLB	Securities Lending and Borrowing.
Spin-Off	A distribution of subsidiary stock to the shareholders of the parent company without a surrender of shares. Spin-off represents a form of divestiture usually resulting in an independent company or in an existing company. E.g., demerger, distribution, unbundling.
Stock Split/Change in Nominal Value(Subdivision)	Increase in a corporation's number of outstanding equities without any change in the shareholder's equity or the aggregate market value at the time of the split. Equity price and nominal value are reduced accordingly.
SWIFT	Society for Worldwide Interbank Financial Telecommunications
Tender/ Acquisition/ Takeover/Purchase Offer/Buyback	An offer made to shareholders, normally by a third party, requesting them to sell (tender) or exchange their equities.
Trading Status Delisted	Security is no longer able to comply with the listing requirements of a stock exchange and is removed from official board quotation.

Term	Description
Termination	An event where the listing status of Securities on an Exchange is Withdrawn.
Unbundling	An event where an Issuer distributes in specie to the registered owners (and where applicable for the benefit of Beneficial Owners), whether by way of) <ul style="list-style-type: none"> <li data-bbox="597 474 1084 506">a dividend (including a liquidation dividend);</li> <li data-bbox="597 516 1365 548">ii) a total or partial reduction of capital (including any share premium);</li> <li data-bbox="597 558 1243 590">iii) a redemption of redeemable preference Securities; and</li> <li data-bbox="597 600 1406 674">iv) an acquisition of Securities in terms of Section 85 of the Companies Act; or</li> <li data-bbox="597 684 1406 800">v) All or any part of any Securities in another Issuer who's Securities are, or are about to be, listed and which Securities are held by the Issuer or by a subsidiary of such Issuer.</li> </ul>
Warrant	The right, but not the obligation by a shareholder to buy or sell an underlying asset on or before a set date at a set price.
Worthless	Booking out of valueless securities.



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## 2. Timeline

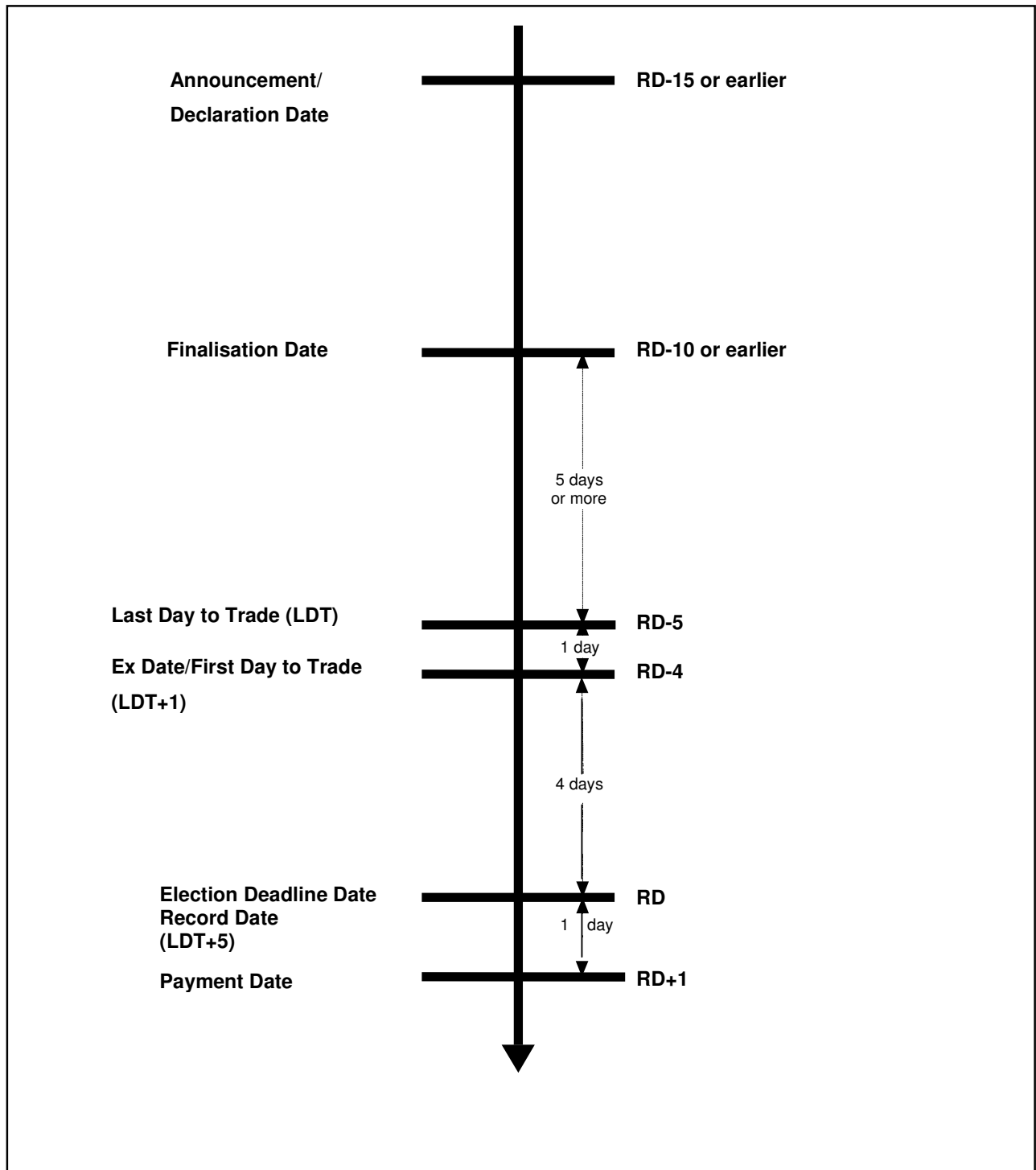


Figure 1: Corporate Action Generic Timeline



### 3. Processing of Corporate Actions Equities

Below is a list of the Corporate Action event timelines and key processes and procedures that takes place during the lifespan of a Corporate Event. These are explained below.

Note: The practice notes for Equity Corporate Action should be read in conjunction with Directive SDJ and Volume A.

#### 3.1 Announcements

All company announcements relating to companies listed on the JSE Securities Exchange SA (the "JSE") are published through The Stock Exchange News Service ("SENS"). In respect of Unlisted Securities, announcements means all notices regarding rights and other benefits accruing to owners of Securities, which are provided by Issuers to the CSD. For unlisted securities the Issuer will advise Strate of the Corporate Action event. This information is then captured into SENS on Announcement/Declaration Date. Once the message is received from SENS (or any other system that the JSE may choose to use for this service), even in those cases where the announcement does not contain all the pertinent details, Strate Ltd (Strate) will create the Corporate Action event in their system and distribute this to all the CSD Participants (CSDP's) who will (except in certain defined circumstances) be responsible for notifying all Clients who hold these Securities.

Amongst the clients to whom the messages from the CSD Participants will be dispatched are intermediaries such as brokers, fund managers, global custodians etc. CSD Participants may choose to notify all their clients, irrespective of whether they hold these securities or not. Brokers will be responsible for informing their Clients of Corporate Action events.

As more information relating to the Corporate Event is published the original message will be enhanced and redistributed.

All the pertinent information relative to the event becomes irrevocable on LDT - 5 and a final message will be dispatched by Strate – marked as "final message" (Only the Listings Department of the JSE may sanction the cancellation of an event provided this takes place on or before Record Date.)

#### 3.2 Trade Date

- All on-market trades are currently settled on a T+5 cycles.
- Trade Date is the date on which a trade is concluded.
- All Off-market trades are settled in terms of Directive SCV "Best Practices for off-market trades".
- Securities Lending and Borrowing ("SLB") trades are settled on a minimum of a T+1 cycle.



### 3.3 Last Day to Trade Minus Five (LDT-5)

LDT-5 is the date on which the corporate event and its details become irrevocable (i.e. no further changes to any of the pertinent details can be made by the issuer and the corporate event can only be cancelled in circumstances as detailed below). This applies to companies with their primary listing in South Africa.

- Please note that in exceptional cases (i.e. the withdrawal of an underwriter or in any other circumstances that would make the corporate event impossible to execute):
  - The Listings Department of the JSE may sanction the cancellation of a corporate event provided this takes place on or before Record Date;
  - In those cases where a change to the information provided is necessary this can also only be affected by cancelling the corporate event on or before Record Date. A new corporate event will have to be raised with the necessary minimum period of time i.e. before LDT-5 based on the new Record Date. This will follow the same rules as for any other new corporate event;
  - Should a sale of the expected entitlement fail as a result of the cancellation of the corporate event the normal fail trade process will apply. If the investor suffers a loss as a result of such a cancellation they are entitled to claim this loss from the issuer and
  - In the case of an issue of new securities that will only be issued for the first time on Record Date+1 this problem will not arise as the first date to trade these entitlements will be Ex Date. In these instances, if this corporate event is cancelled it will have no affect on trading.

On LDT-5 if the event is still outstanding Regulatory Approvals Strate will not send MT564 (FNOE) messages. Upon all Regulatory Approvals having been obtained/lodged Strate will then send MT564 (FNOE) messages.

In the instance where MT564 (FNOE) messages have already been sent and any rates/ratio requires to be adjusted due to interest rate calculations by the Issuer, Strate will then send replacement MT564 (FNOE) messages.

### 3.4 Last Day to Trade (LDT)

- LDT is the last date that anyone can trade on market in order to qualify to participate in the corporate event.
- All trades on the JSE from LDT+1 will be excluding entitlements.
- After LDT the investors can ascertain what their projected holdings will be on Record Date and decide what election they need to make, if necessary.
- The only changes that can take place to the dematerialised holdings in the company after LDT will be as a result of the fulfilment of the dematerialisation /rematerialization orders open on LDT.

This will enable the Issuer or its transfer secretary to pre-plan the position on which the full entitlement will be based.

- No dematerialisation or rematerialization orders will be accepted by Strate after LDT. These orders will be accepted again from RD+1.
- All dematerialisation or rematerialization orders that are outstanding as at End of Day (EOD) on LDT must be finalised before 16H00 on RD-1.
- In respect of non-elective events the Issuers or their transfer secretaries will be able to prepare the payments or entitlements for those investors holding their securities in certificated form from close of business on LDT after taking into account any unprocessed dematerialisation or rematerialization orders. The certificated register will for practical purposes also be closed from LDT+1 to Record Date for transfers.

### **3.5 Ex Date / Effective Date/ First Dealing Date/Trading Suspended Date**

- Excluding or non-qualifying for an entitlement arising from a Corporate Action.
- All trades concluded on the JSE for a particular company's shares that is undergoing a corporate event, from ex-date are excluded from the right to receive entitlements relating to that event.
- Ex-date will be the first business day after LDT (LDT+1).
- The recipient of Off-market or Securities Lending and Borrowing (SLB) related trades concluded after ex-date but where settlement takes place on or before Record Date will still be entitled to participate in the corporate event.
- The first date from which dematerialisation / rematerialization orders will be blocked by Strate.
- Effective Date is the Date/time at which a process is to be completed or becomes effective.
- First Dealing Date is the date/time at which new securities begin trading.
- Trading suspended date is the date/time at which trading of a security is suspended as the result of an event.

### **3.6 Election Deadline Date and Time**

- Last date to elect is the date and time by which the CSD Participants must have received the election instructions.
- The election process on choice/voluntary corporate events settling through the corporate action system takes place as follows:
- Strate elects on its total holdings in terms of the election instructions received from each CSD Participant, per SCA. In other words, the election is the aggregate of each CSD Participants election by SCA.
- The CSD Participants elect on their holdings per SCA with Strate, in terms of the election instructions received from each of their clients (brokers will be a client in the records of the CSD Participants). The CSD Participants election will be the aggregate of each individual client's election instruction.

- If any investor has not provided his/her broker or CSD Participant with his/her election instruction by the date and time stipulated by the CSD Participant or broker the CSD Participant or broker must apply the default option, to the holding.
- The number of securities received by Strate, the CSD Participants, brokers, fund managers, global custodians or any other entity, may not correspond with the number required to satisfy the individual entitlements of each of their clients due to rounding. These securities would have to be purchased or sold by Strate, the CSD Participants, broker or relevant entity to increase or decrease their holdings in their SCA to bring it in line with the aggregate of all their clients' accounts in their records. In the case of cash, the shortfall in respect of the payments to their clients must be made good by the entity that was short. Any surpluses will be used to off-set the cost of acquiring additional securities or the payment of additional cash.  
It may, therefore be necessary to sell the surplus securities that (may) have been received. Beneficial holders must in all cases receive the correct entitlement based on the rounded results when multiplying the ratio by the number of securities.
- The broker, fund manager or global custodian elect on their holdings per SCA with the CSD Participants in terms of the instructions received from each of their own clients. Their election will also be the aggregate of all their client's election instructions.

### 3.7 Record Date (RD)

- The date on which the holdings, upon which the Corporate Action event entitlement is based are ascertained. Record Date is equal to LDT+5.
- All affected parties (CSD Participants, brokers and investors) will have to anticipate their holdings for Record Date by taking into account all unsettled trades concluded on or before LDT that are due to settle on or before Record Date. All off-market and SLB trades concluded after LDT, but where settlement will take place on or before Record Date, must also be taken into account. This will enable investors to provide their CSD Participants or brokers with their election based on their anticipated Record Date holdings by the election deadline date and time.
- Once settlement has been executed on Record Date, Strate will reconcile the CSD Participants elections with the holdings in that CSD Participants SCAs.
- In the event of a discrepancy between the election received from a CSD Participant and the holdings in the respective SCA of the CSD Participant in the CSD the CSD will advise the CSD Participant to resolve the discrepancy within an hour (sixty minutes) and amend their election. Thereafter the following action will automatically be taken :
  - If the CSD Participants election exceeds the holdings in the SCA in the case of an offer, the election will be reduced by the amount of the excess;
  - If the CSD Participants election exceeds the holdings in the SCA and the election covers more than one option, the election in respect of the default option will be reduced by the amount of the excess;

- If the discrepancy exceeds the quantity elected for the default option, this quantity will be eliminated and the remaining discrepancy subtracted from the next option. Where the CSD allows a Participant to amend their election instructions, the Participant must send to the CSD their amended election instructions by 11h30 on Record Date. If the CSD Participants election is less than the holdings in its SCA the default option will be applied to the remaining holding;
- If there is only one option, the adjustment will be made to that option;
- Where the CSD adjusts the election as provided in 7.2, it shall advise the affected Participants of the adjusted election via MT564 message by EOD on Record Date;
- Strate will ensure that the aggregate of the elections of all, the individual CSD Participants, as adjusted where applicable in terms of the above, agree with the election made by Strate on the total dematerialised holdings. This total will be agreed with the records of the company or its transfer secretary;
- Strate provides the Issuer or its transfer secretary with the details of the number of securities and or the payment due to Strate on payment date (RD+1) in respect of its entitlements. This information is then provided to the issuer or its transfer secretary as soon as settlement on Record Date has been completed or by no later than 18:00 South African time on Record Date. This is based on the aggregate of the election instructions, received from the CSD Participants and adjusted (where applicable). The details of the securities or the payment due to Strate are provided to the Issuer or its transfer secretary for all entitlements, even for mandatory corporate events where no election is made;
- The Issuer or its transfer secretary will already have ascertained the reconciled holdings on which the election from Strate is expected;
- Strate will advise the CSD Participants after settlement has been completed by no later than 18H00, what the holdings in their SCAs are. This represents the holdings on which their elections have been based. This message from Strate will also contain the CSD Participants expected entitlements per SCA based on this figure;
- In those cases where the entitlement is distributed through the clearing and settlement system the details of the settlement will be advised as soon as the orders have been generated by Strate on RD+1. This will be in the form of the MT566 MT548/251 and MT548/601.

### **3.8 Record Date Plus One (RD+1)**

- Dematerialisation and rematerialization orders and registration changes for certificated Investors re-commence for the security affected by the corporate event from RD+1.

### 3.9 Payment Date (RD+1)

- Issuers will be required to fund Strate's designated bank account with the total cash entitlements in respect of the dematerialised holdings, as provided to their transfer secretaries by Strate, via. SAMOS by no later than 10H00 on payment date.
- The Issuer or its transfer secretary must ensure that the securities are available for distribution by Beginning of Day (BOD) to enable settlement to take place. This is particularly important in those cases where the investor has sold their entitlement.
- It is essential that the Issuer and its transfer secretary understand the importance of ensuring that the payments of cash and/or securities are made by the time and method stated. Strate will not distribute the cash entitlements to CSD Participants, until the cash has been credited to Strate's bank account in the method outlined above. Strate will only distribute the cash and dispatch the MT566 message to the CSD Participants once the cash has been received and paid by Strate's banker.
- Where a CSD Participants or broker chooses to distribute cash entitlements prior to receiving the cash from Strate, Strate will not accept or be held liable for any interest claims.
- The Listings department of the JSE will assist with the recovery of any claims that may arise as a result of the late payment of cash or securities by the Issuer.

## 4. Securities Lending and Borrowing

From a Securities Lending and Borrowing perspective, a borrower has to compensate the lender (Beneficial Owner) for any entitlements that the lender would have received had the Securities not been on loan. In terms of the generic Strate Corporate Actions timeline, Corporate Actions on Securities lending positions follow a very similar process, although they occur largely outside of the Strate environment.

- On Announcement/Declaration Date up to Last Day to Trade-5 (LDT-5), the lender will advise and update the borrower of details of forthcoming Corporate Events where the borrower has open loans in the affected Securities.
- LDT is the last day for the borrower to purchase the affected Securities in the market in order to return them to the lender by Record Date, thereby avoiding liability for the Corporate Actions.
- The lender needs to advise the borrower of his election choice/s, if applicable, on Election Date to enable the borrower to take the necessary action. The borrower's obligation to the lender is determined by the number of Securities on loan on Record Date.
- All entitlements are paid by the borrower to the lender on the Payment Date. If the Securities obligations aren't settled by the borrower on the Payment Date, it is market practice to create new loans.

## 5. Corporate Action Message Types

Listed below are some of the more common SWIFT message types that are utilized during the processing of a Corporate Action Event.

No.	Message Type	SWIFT Description	Details	Responsible Entity	Timing
1	MT564	Corporate Action Notification	Preliminary Notice of Event	Strate to CSDPs, Transfer Secretary & the JSE	Strate receives the notification of an event from SENS and newspaper
2	MT564	Corporate Action Notification	Final Notice of Event	Strate to CSDPs, Transfer Secretary & the JSE	FNOE (Final Notice of Event) sent after settlement has taken place for that day.
3	MT564	Corporate Action Notification	Reminder	Strate to CSDPs	12 or 24 hours prior to election deadline date and time
4	MT565	Corporate Action Instruction	Election Instructions	CSDPs to Strate	Strate to receive from CSDPs on Election Deadline Date and Time
5	MT565	Corporate Action Instruction	Election Instructions	Strate to Transfer Secretary	For offers where clients can elect immediately the Transfer Secretary receives MT565's the same day as generated by the CSDPs
6	MT564	Corporate Action Notification	Instructions for entitlements	Strate to Transfer Secretary	Sent on Record Date after settlement has taken place.
7	MT565	Corporate Action Instruction	Election Instructions	Replacement messages sent by CSDPs to Strate & Strate to Transfer Secretary	Strate to receive from CSDPs within 60 minutes after settlement is concluded
8	MT567	Corporate Action Status and Processing Advice	Acknowledgement/ Rejection of Corporate Action Election Instruction	Strate to CSDPs & Transfer Secretary to Strate	Upon receipt of Election Instructions

No.	Message Type	SWIFT Description	Details	Responsible Entity	Timing
9	MT564	Corporate Action Notification	Pre-Advice	Strate to CSDPs & the JSE	After the last settlement run has taken place on RD
10	MT564	Corporate Action Notification	Rollover of Payment Date	Strate to CSDPs, Transfer Secretary & the JSE	If payment date is changed Strate will advise of the new pay date if available
11	MT566	Corporate Action Confirmation	Payment Advice	Strate to CSDP and the JSE	Security entitlement distributed BOD
12	MT54x	NB.	Order for entitlement distributed through clearing & Settlement	CSDP of Transfer Secretary to Strate	After allocation and within the period defined in the notice of event
13	MT548	Settlement Status and Processing Advice	Status Intimation	Strate to CSDP of TS	This will be generated in the same way as for normal settlement orders.
14	MT548	Settlement Status and Processing Advice	Status Intimation with Status of Matched ready for Settlement	Strate to CSDP of Transfer Secretary and CSDP's	After beginning of day on which the order if received from the CSDP of the TS
15	MT548	Settlement Status and Processing Advice	Status Intimation "Settled"	Strate to CSDP's and the JSE	As soon as settlement has taken place. A MT566 will be generated and dispatched for each MT548 as per 9 above.
16	MT910	Proprietary Message	Advice of Issuer deposit	Strate's Banker to Strate	Once an Issuer deposit is made into Strate's Bank Account
17	MT103	Single Customer Credit Transfer	Authorisation of release of payment to CSDP's	Strate to Banker	Once Strate reconciles with the MT910 an MT103 is released

**Table 1: Corporate Action SWIFT Messages**

## 6. Corporate Action Event Types

### 6.1 Mandatory Events

#### 6.1.1 Mandatory Events Timeline

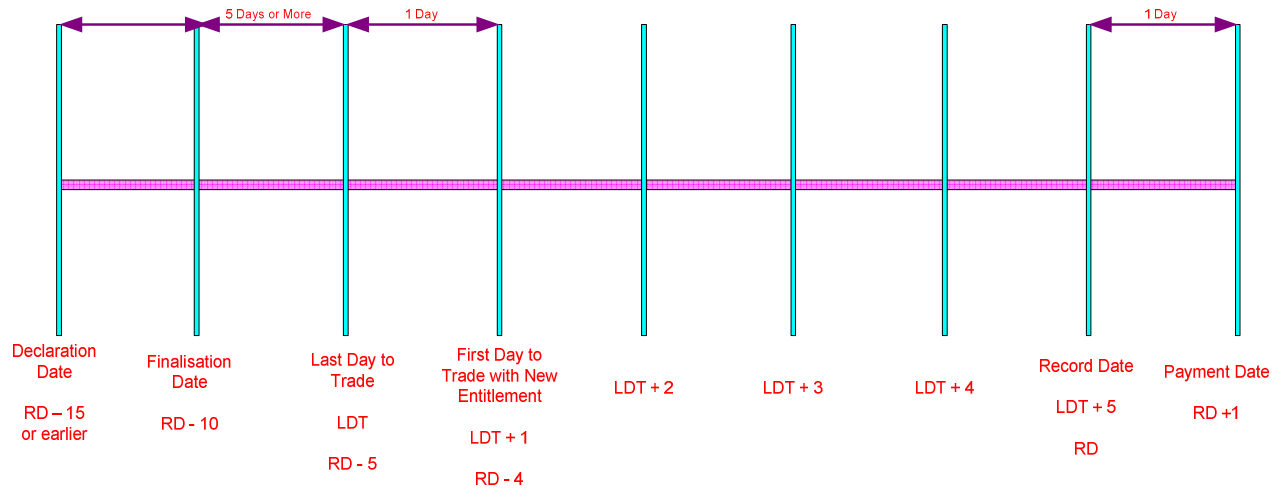


Figure 2: Mandatory Events Timeline

#### 6.1.2 List of Mandatory Cash Events

List of Mandatory Cash Events	Swift Qualifier
Cash Distribution	OTHR
Cash Dividend	DVCA
Final Liquidation	LIQU
Interest Payment	INTR
Interim Liquidation	LIQU
Partial Redemption (Decrease in Value – Partial)	OTHR
Redemption (Decrease in Value – Full)	REDM
Scheme of Arrangements (Cash)	MRGR
Share Premium Dividend	SHPR

Table 2: List of Mandatory Cash Events

### 6.1.3 List of Mandatory Security Events

List of Mandatory Security Events	Swift Qualifier
Bonus Issue	BONU
Capital Gains Distribution	CAPG
Conversion	CONV
Merger	MRGR
Name Change	CHAN
Reverse Stock Split	SPLR
Rights Distribution	RHDI
Section 440K	TEND
Scrip Dividend	DVSC
Spin-Off	SOFF
Stock Dividend	DVSE
Stock Split	SPLF
Trading Status Delisted	DLST
Worthless	WRTH

**Table 3: List of Mandatory Security Events**

### 6.1.4 List of Mandatory Cash and Security Events

List of Mandatory Cash and Security Events	Swift Qualifier
Merger	MRGR
Spin-Off	SOFF
Tender Offer	TEND
*Warrant/Rollover/Share Instalment/Expiry	DLST

**Table 4: List of Mandatory Cash and Security Events**

\* Please refer to process in section 6.4 Warrants



## 6.1.5 Practice Notes for Mandatory Events

- **Announcement Date**

Once the corporate action event is announced on SENS, the Strate Corporate Action Department will capture the event. A unique Corporate Action Reference number is generated for that specific event. The Team Lead/Manager will authorise and release the MT564 (PNOE) message to the CSD Participants, the JSE and Transfer Secretaries.

If insufficient details (such as dates) are not announced, Strate will communicate the available details via MT564 SWIFT message to CSD Participants, the JSE and Transfer Secretaries advising them of the proposed corporate event. As and when additional information is announced the event will be updated accordingly and the MT564 replacement message is released. Should the MT564 message exceed 350 characters an MT568 message will also be sent and linked to the MT564 message sent.

- **Last Day to Trade Minus Five (LDT-5)**

On LDT-5 (Final Date) Strate will release an MT564 FNOE (Final Notice of Event) to all CSD Participants, the JSE and the appointed Transfer Secretary. All information must be available and captured. No changes or amendments can be made to the event subsequent to this date.

Currency conversion dates and South African rates must be announced by no later than Record Date-10. Exclusion of payment or restrictions will also be communicated to the CSD Participants as soon as Strate becomes aware of any restrictions or exclusions. Should an Issuer request a spreadsheet for the above events this will be communicated to the CSD Participants after consultation with the appointed Transfer Secretary.

In the event the Issuer or Sponsor wishes to cancel the event Strate will cancel and release an MT564 withdrawal message to the CSD Participants, the JSE and the appointed transfer secretary.

On LDT-5 if the event is still outstanding Regulatory Approvals Strate will not send MT564 (FNOE) messages. Upon all Regulatory Approvals having been obtained/lodged Strate will then send MT564 (FNOE) messages.

In the instance where MT564 (FNOE) messages have already been sent and any rates/ratio requires to be adjusted due to interest rate calculations by the Issuer, Strate will then send replacement MT564 (FNOE) messages.

- **Last Day to Trade (LDT)**

LDT is the last date that anyone can trade on market in order to qualify to participate in the corporate event.

- **Ex Date / Effective Date/ First Dealing Date/Trading Suspended Date**

All trades concluded on the JSE for a particular company's shares that is undergoing a corporate event, from ex-date will exclude the right to receive entitlements relating to that event. Effective Date is the Date/time at which a process is to be completed or becomes effective. First Dealing Date is the Date/time at which new securities begin trading. Trading suspended date is the date/time at which trading of a security is suspended as the result of an event.

- **Record Date (RD)**

On Record Date all final entitlements are calculated, after the final settlement run has taken place. Strate will generate an MT564 Pre-Advice message reflecting the entitlements i.e. the cash and security position that the CSD Participant is entitled to together with the record date position. An MT564 Pre-Advice will be generated to the Transfer Secretary indicating the Record Date position and the cash and share entitlement that is due to Strate.

- **Payment Date**

Corporate Action cash benefits will be distributed in South African Rand only (ZAR). Cash payments need to be credited to Strate's bank account by no later than 10H00 on Payment Date. Once the cash is deposited into Strate's bank account by the Issuer, Strate's Banker will send an MT910 message to Strate. Upon successful reconciliation Strate will send MT103 messages to its Banker who will then make payment to the CSD Participants accordingly. Thereafter, the MT566 messages will be generated confirming the cash and or security payment to the various CSD Participants banking and SCA accounts.

Funds must be paid into Strate's Bank account by 15H30 the very latest in order for Strate's Bankers to generate payment. Should payment not be received by the cut off time (15H30) on payment date the pay date of the event will be rolled over and the MT564 message will be sent to the CSD Participants advising that payment has not been received.

Strate will not be liable for any claims due to the late receipt of the payment of funds from the Issuer. Should the cash not be received on payment date Strate will release an MT566 message confirming the securities entitlement that has been credited to the various CSD Participants SCA accounts.

If the announcement from the JSE Limited states that the base security is delisting, then on Payment Date at the Beginning of the Day, the base Security is Wiped-out and the ISIN is placed into a "To be Deleted Status". The MT566 message will reflect the debit of the base security (ISIN).

The process for mandatory cash events, mandatory security events and mandatory cash and security events will also be applicable to share instalments.

- **Fractions of Securities**

Fractions of securities are no longer paid out in cash but are rounded up or down based on the standard rounding convention (less than 0.5 round down and 0.5 and greater round up).

The basis or scrip ratios utilised in the calculation of entitlements will always be announced to five decimal places.

Cash entitlements are announced through SENS as a number of cents per share. In the case of the messages distributed by Strate and to comply with the SWIFT standards it is necessary to convert the announcement as a number of Rand(s) per share. In this event, Strate will convert the company's announced rate to 5 decimal places in cents per share, to a Rand rate at 5 decimal places in Rands per share.

The number of Securities received by Strate, the CSD Participants, brokers, fund managers, global custodians or any other entity may not tally with the number they require to satisfy the entitlements of each of their Clients due to rounding. These Securities would have to be purchased or sold by Strate, the CSD Participants, broker or relevant entity to increase or decrease their holdings in their Securities Account to bring it in line with the aggregate of all their Clients accounts in their books.

In the case of cash the shortfall in respect of the payments to their Clients this would be made good by the entity that was short. Any surpluses would be used to offset the cost of acquiring additional Securities or the payment of additional cash.

Note: The corporate action event rounding standard utilised will be as per the announcement.



## 6.2 Elective Choice Events

### 6.2.1 Elective Choice Events Timeline

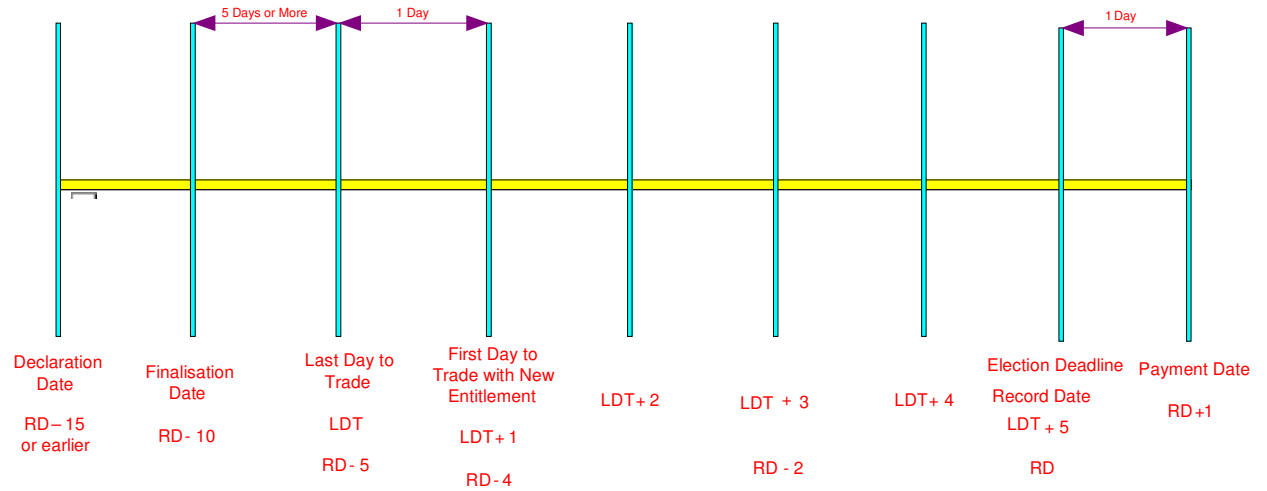


Figure 3: Elective Choice Events Timeline (excluding DRIP's)

### 6.2.2 Elective Choice Events - Dividend Reinvestment (DRIP) Timeline

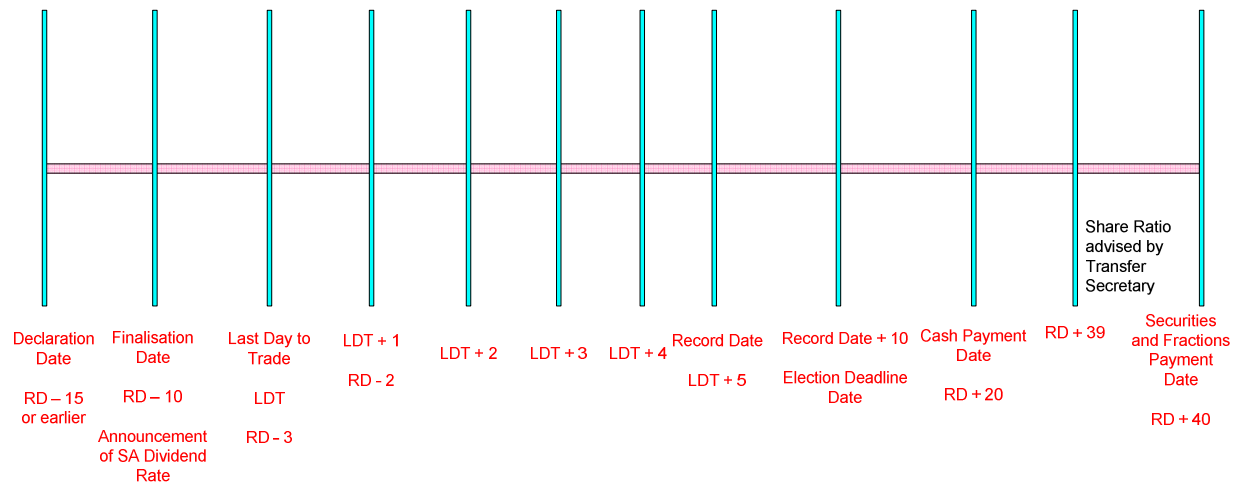


Figure 4: Elective Choice Events – Dividend Reinvestment Timeline

### 6.2.3 List of Elective Choice Events

List of Elective Choice Events	SWIFT Qualifier
Conversion	CONV
Currency Options	DVCA
Dividend Option	DVOP
Dividend Reinvestment	DRIP
Merger	MRGR
Spin-Off	SOFF

Table 5: List of Elective Choice Events

### 6.2.4 Practice Notes for Choice Events

- **Announcement Date**

Once the corporate action event is announced on SENS, the Strate Corporate Action Department will capture the event. A unique Corporate Action Reference number is generated for that specific event. The Team Lead/Manager will authorise and release the MT564 (PNOE) message to the CSD Participants, the JSE and Transfer Secretaries.

If insufficient details (such as dates) are not announced, Strate will communicate the available details via an MT564 SWIFT message to CSD Participants, the JSE and Transfer Secretaries advising them of the proposed corporate event. As and when additional information is announced the event will be updated accordingly and the MT564 replacement message released. Should the MT564 message exceed 350 characters and MT568 message will be linked to the MT564 message sent.

- **Last Day to Trade Minus Five (LDT-5)**

On LDT-5 (Final Date) Strate will release an MT564 FNOE (Final Notice of Event) to all CSD Participants, the JSE and the appointed Transfer Secretary. All information must be available and captured. No changes or amendments can be made to the event subsequent to this date. Currency conversion dates and South African rates must be announced by no later than Record Date-10. Exclusion of payment or restrictions will also be communicated to the CSD Participants as soon as Strate becomes aware of any restrictions or exclusions. Should an Issuer request a spreadsheet for the above events this will be communicated to the CSD Participants after consultation with the appointed Transfer Secretary.

In the event the Issuer or Sponsor wishes to cancel the event Strate will cancel and release an MT564 withdrawal message to the CSD Participants, the JSE and the appointed transfer secretary.

On LDT-5 if the event is still outstanding Regulatory Approvals Strate will not send MT564 (FNOE) messages. Upon all Regulatory Approvals having been obtained/lodged Strate will then send MT564 (FNOE) messages.

In the instance where MT564 (FNOE) messages have already been sent and any rates/ratio requires to be adjusted due to interest rate calculations by the Issuer, Strate will then send replacement MT564 (FNOE) messages.

- **Last Day to Trade (LDT)**

LDT is the last date that anyone can trade on market in order to qualify to participate in the corporate event.

- **Ex Date / Effective Date/ First Dealing Date/Trading Suspended Date**

All trades concluded on the JSE for a particular company's shares that is undergoing a corporate event, from ex-date will exclude the right to receive entitlements relating to that event.

Effective Date is the Date/time at which a process is to be completed or becomes effective.

First Dealing Date is the Date/time at which new securities begin trading.

Trading suspended date is the date/time at which trading of a security is suspended as the result of an event.

- **Reminders**

Strate will send MT564 election reminders to the CSD Participants who have under-elected or not elected. Strate will send election reminders either 5 hours or 12 hours before the election deadline date and time. The reminders will be sent per SCA or per CSD Participant based on standing instructions specified by the CSD Participants. CSD Participants may provide standing instructions on the two reminders.

- **Election Deadline Date and Time**

Record Date (RD) or such other date as may be contained in the announcement. The election deadline is the date and time on which all elections must be sent to Strate. On RD Strate will check that all SWIFT MT565 messages have been received from the CSD Participants.

On RD, the CSD Participants must send in their elections via MT565 messages to Strate. Upon receipt and verification of the MT565 message, Strate will send an MT567 election acknowledgement to the CSD Participant for each election received indicating the acceptance/rejection of the MT565 message. The CSD Participants must check that they have received an MT567 from Strate confirming if their elections have been accepted or rejected. The MT567 Rejection notification will contain the reason for rejection as a narrative. If no election instruction has been received Strate will send an MT567 default message to the CSD Participant. For all elective events Strate will send either a MT564 or MT565 message to the Transfer Secretary.

Please note that the Dividend Reinvestments have been placed into this process however the election deadline date for Dividend Reinvestments is subsequent to the Record Date. Please refer to figure 4. Dividend Reinvestment timeline above

- **Record Date (RD)**

On Record Date all final entitlements are calculated, after the final settlement run has taken place. Strate will generate an MT564 Pre-Advice message reflecting the entitlements i.e. the cash and security position that the CSD Participant is entitled to together with the record date position. An MT564 Pre-Advice will be generated to the Transfer Secretary indicating the record date position and the cash and share entitlement that is due to Strate.

Please note that for Dividend Reinvestment events the Record Date is before election deadline date. Please refer to figure 4. Dividend Reinvestment timeline above

- **Payment Date**

Corporate Action cash benefits will be distributed in South African Rands only (ZAR). Cash payments need to be credited to Strate's bank account by no later than 10H00 on Payment Date. Once the cash is deposited into Strate's bank account by the Issuer, Strate's Banker will send an MT910 message to Strate. Upon successful reconciliation Strate will send MT103 messages to its Banker who will then make payment to the CSD Participants accordingly. Thereafter, the MT566 messages will be generated confirming the cash and security payment to the various CSD Participants banking and SCA accounts.

Funds must be paid into Strate's Bank account by 15H30 the very latest in order for Strate's Bankers to generate payment. Should payment not be received by the cut off time (15H30) on payment date the pay date of the event will be rolled over and the MT564 message will be sent to the CSD Participants advising that payment has not been received.

Strate will not be liable for any claims due to the late receipt of the payment of funds from the Issuer. Should the cash not be received on payment date Strate will release an MT566 message confirming the securities entitlement that has been credited to the various CSD Participants SCA accounts

For Dividend Reinvestment events there are two payment dates required for the processing, the first being for the cash entitlement and the second payment date for the Securities and Fractional Entitlement.

If the announcement from the JSE Limited states that the base security is delisting, then on Payment Date at the Beginning of the Day, the base Security ISIN is Wiped-out and the ISIN is placed into a "To be Deleted Status". The MT566 message will reflect the debit of the base

security (ISIN).

The above process is also applicable to share instalments.



## 6.3 Elective Voluntary Events

### 6.3.1 Elective Voluntary Events Timeline

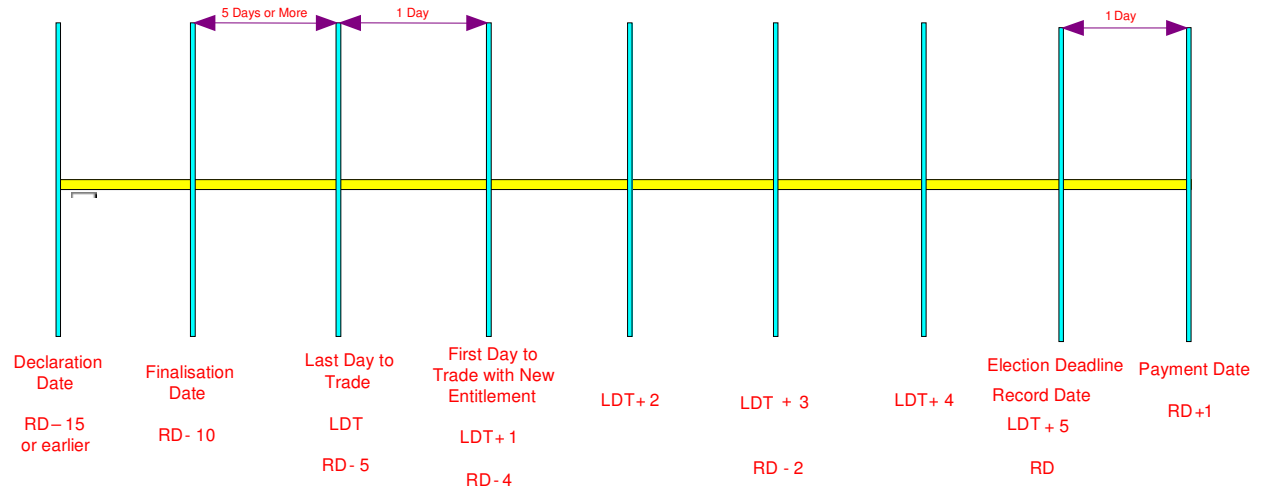


Figure 5: Elective Voluntary Events Timeline

### 6.3.2 List of Elective Voluntary Events

List of Elective Voluntary Events	SWIFT Qualifier
Conversion	CONV
Dutch Auction	DTCH
Exchange Offer / Pro-Rata Offer	EXOF
Odd-Lot Offer	ODLT
Repurchase Offer	BIDS
Rights Subscription	EXRI
Tender Offer	TEND

Table 6: List of Elective Voluntary Events

### 6.3.3 Practice Notes for Voluntary Events

- **Announcement Date**

Once the corporate action event is announced on SENS, the Strate Corporate Action Department will capture the event. A unique Corporate Action Reference number is generated for that specific event. The Team Lead/Manager will authorise and release the MT564 (PNOE) message to the CSD Participants, the JSE and Transfer Secretaries.

If insufficient details (such as dates) are not announced, Strate will communicate the available details via an MT564 SWIFT message to CSD Participants, the JSE and Transfer Secretaries advising of the proposed corporate event. As and when additional information is announced the event will be updated accordingly and the MT564 replacement message released. Should the MT564 message exceed 350 characters an MT568 message will be linked to the MT564 message sent.

- **Last Day to Trade Minus Five (LDT-5)**

On LDT-5 (Final Date) Strate will release an MT564 FNOE (Final Notice of Event) to all CSD Participants, the JSE and the appointed Transfer Secretary. All information must be available and captured. No changes or amendments can be made to the event subsequent to this date. Currency conversion dates and South African rates must be announced by no later than Record Date-10. Exclusion of payment or restrictions will also be communicated to the CSD Participants as soon as Strate becomes aware of any restrictions or exclusions. Should an Issuer request a spreadsheet for the above events this will be communicated to the CSD Participants after consultation with the appointed Transfer Secretary.

In the event the Issuer or Sponsor wishes to cancel the event Strate will cancel and release an MT564 withdrawal message to the CSD Participants, the JSE and the appointed transfer secretary.

On LDT-5 if the event is still outstanding Regulatory Approvals Strate will not send MT564 (FNOE) messages. Upon all Regulatory Approvals having been obtained/lodged Strate will then send MT564 (FNOE) messages.

In the instance where MT564 (FNOE) messages have already been sent and any rates/ratio requires to be adjusted due to interest rate calculations by the Issuer, Strate will then send replacement MT564 (FNOE) messages.

- **Last Day to Trade (LDT)**

LDT is the last date that anyone can trade on market in order to qualify to participate in the corporate event.

- **Ex Date / Effective Date/ First Dealing Date/Trading Suspended Date**

All trades concluded on the JSE for a particular company's shares that is undergoing a corporate event, from ex-date will exclude the right to receive entitlements relating to that event.

Effective Date is the Date/time at which a process is to be completed or becomes effective.

First Dealing Date is the Date/time at which new securities begin trading.

Trading suspended date is the date/time at which trading of a security is suspended as the result of an event.

- **Reminders**

Strate will send MT564 election reminders to the CSD Participants who have under-elected or not elected. Strate will send election reminders either 5 hours or 12 hours prior to the election deadline. The reminders will be sent per SCA or per CSD Participant based on standing instructions specified by the CSD Participants. CSD Participants may provide standing instructions on the two reminders.

- **Election Deadline Date and Time**

Record Date or such other date as may be contained in the announcement. The election deadline is the date and time on which all elections must be sent to Strate. On RD Strate will check that all SWIFT MT565 messages have been received from the CSD Participants.

On Record Date, the CSD Participants must send in their elections via MT565 messages to Strate. Upon receipt and verification of the MT565 message, Strate will send an MT567 election acknowledgement to the CSD Participants for each election received indicating the acceptance/rejection of the MT565 message.

The CSD Participants must check that they have received an MT567 from Strate confirming if their elections have been accepted or rejected. The MT567 Rejection notification will contain the reason for rejection as a narrative. If no election instruction has been received Strate will send an MT567 default message to the CSD Participants. For all elective events Strate will send either a MT564 or MT565 message to the Transfer Secretary.

- **Record Date (RD)**

On Record Date all final entitlements are calculated, after the final settlement run has taken place. Strate will generate an MT564 Pre-Advice message reflecting the entitlements i.e. the cash and security position that the CSD Participant is entitled to together with the record date

position. An MT564 Pre-Advice will be generated to the Transfer Secretary indicating the record date position and the cash and share entitlement that is due to Strate.

- **Payment Date**

Corporate Action cash benefits will be distributed in South African Rands only (ZAR). Cash payments need to be credited to Strate's bank account by no later than 10H00 on Payment Date. Once the cash is deposited into Strate's bank account by the Issuer, Strate's Banker will send an MT598-910 message to Strate. Upon successful reconciliation Strate will send MT103 MT566 messages will be generated confirming the cash and security payment to the various CSD Participants banking and SCA accounts.

Funds must be paid into Strate's Bank account by 15H30 the very latest in order for Strate's Bankers to generate payment. Should payment not be received by the cut off time (15H30) on payment date the pay date of the event will be rolled over and the MT564 message will be sent to the CSD Participants advising that payment has not been received. Strate will not be liable for any claims due to the late receipt of the payment of funds from the Issuer.

Should the cash not be received on payment date Strate will release an MT566 message confirming the securities entitlement that has been credited to the various CSD Participants SCA accounts.

If the announcement from the JSE Limited states that the base security is delisting, then on Payment Date at the Beginning of the Day, the base Security is Wiped-out and the ISIN is placed into a "To be Deleted Status". The MT566 message will reflect the debit of the base security (ISIN).

The above process is also applicable to share instalments.

### **6.3.4 Rights Subscription Event (Take up of NPL's in respect of a Rights Issue)**

A typical Rights Issue is handled as two different but linked corporate events:

#### **Rights Issue**

This is the corporate event where the NPL's created is based on an announced ratio in respect of the holdings of the "mother" Security (preceding). The NPL's trade in parallel with the "mother" security for a period of time before resulting in new securities being issued or the offer lapsing. From a processing point of view it is the same process as used in the processing of a capitalisation issue.

#### **Rights Subscription Event (Take-up)**

This is the corporate event that handles the clients who wish to take up the rights subscription in order to receive the new securities. These instructions must be conveyed to Strate by the CSD Participants via MT565 messages.

The payment of entitlement for the exercise of the NPL's will be done through the booking of trades via the settlement module. The trade dates should be Trade date = event Record Date and the settlement date of the trades = Record Date+1 (event Payment Date). On settlement date of the trades an MT548 message together with an MT566 message will be sent to the relevant CSD Participants. The payment date for the Rights Subscription event will be made on Record Date+1, simultaneously with the allocation of the new securities (DvP) and (RvP). These securities are then available for the settlement of any trades concluded on these securities from the first date to trade (LDT+1). The cash for the take-up remains in the name of the investor until the settlement date of the trades. This is the corporate event that removes or wipes out the NPL's after the closing of the take-up Period.

### **6.3.5 Excess Take-up**

An excess Rights Take-up follows a manual process as contained in the relevant announcement, whereby CSD Participants must complete spreadsheets with details of the beneficial owner. The CSD Participants and Brokers must provide the Issuer or its agent with a list of their Clients' individual excess application. This list contains the Client's name, address, custody account number at the Participant or Broker; the number of rights allocated, number of rights taken up and excess rights applied for and the value of their excess applied for and any other information that may be necessary for that particular event. The excess take-up must also be sent via MT565 messages.

The above process is applicable to share instalments as well.

### **6.3.6 Dutch auction**

This relates to an action by a party wishing to acquire a security where holders of the security are invited to make an offer to sell, within a specific price range. The acquiring party will buy from the holder with lowest offer.

The Dutch auction will follow this process however on or after the election deadline date the bid price of the event will be announced by the Issuer. The following will be performed after the bid price is received:

- All MT565 election instructions with a price greater than the announced bid price will be 'Rejected'
- MT567 acknowledgement messages with status 'Rejected' will be sent to instructing CSD Participants. The rejection reason code will be sent as 'Instruction bid price ineligible for the event'.
- If the election is successful MT564 Replacement (REPE) messages will be generated by Strate to all the CSD Participants entitled for the event. The message will contain the actual entitlements calculated by applying the bid price on the elected quantity. Strate will release an MT564 Pre-advice message to the Transfer Secretary with the total obligation of cash and total entitled security.

### **6.3.7 Odd-Lot Offer**

The Issuer will make an offer to all shareholders holding less than 100 shares (or the amount stipulated in the offer) with the following options:

1. Sell their odd-lot holdings to the Issuer at the offer price;
2. Purchase additional shares at the offer price to increase their holdings to 100 shares or the amount stipulated in the offer;
3. Retain their odd-lot holdings

Where no option is elected, the sell option will apply as the default option to those shareholders who have not specifically elected to retain their odd-lot holdings. On Record Date in terms of the odd lot positions the CSD Participants will book off-market trades on a T+1 basis with the relevant CSD Participant of the Transfer Secretary.

### **6.3.8 Repurchase Offer**

A repurchase offer is an offer to existing shareholders by the Issuing Company to repurchase equity or other securities convertible into equity. The objective of the offer is to reduce the number of outstanding equities. Shareholders may accept the offer or retain their holdings.



## 6.4 Warrants

### 6.4.1 Expiry of Warrants (In/Out the Money/Rollover) Timeline

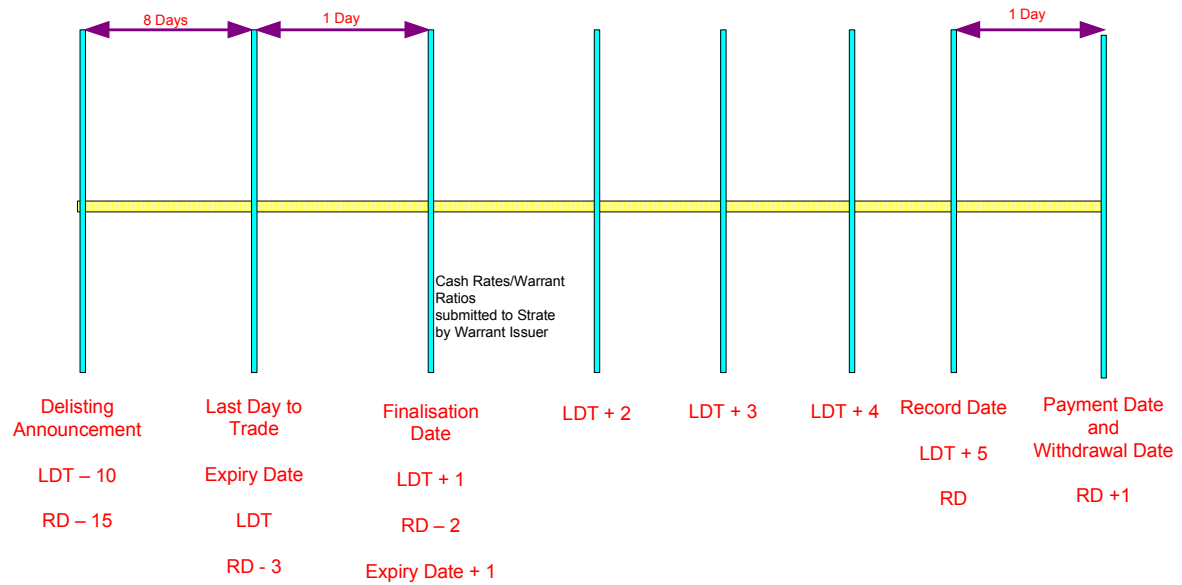


Figure 6: Expiry of Warrants (In/Out the Money/Rollover) Timeline

### 6.4.2 List of Expiry of Warrants (In/Out the Money/Rollover) Timeline

List of Expiry of Warrants (In/Out the money/Rollover) Events	SWIFT Qualifier
Expiry of Warrants (In the Money)	DLST
Expiry of Warrants (Out the Money)	DLST
Expiry of Warrants (Rollover)	DLST

Table 7: List of Expiry of Warrants (In/Out the Money/Rollover)

### 6.4.3 Practice Notes for Expiry of Warrants (In/Out the Money/Rollover)

- **Expiry Date minus ten (Expiry-10)**

Strate's system auto-creates the warrant event on expiry date-10. A unique Corporate Action Reference number is generated for that specific event. The Team Lead/Manager will authorise and release the MT564 (PNOE) message to the CSD Participants and the JSE.

As and when additional information is provided by the warrant Issuer the event will be updated accordingly and the MT564 replacement message released.

- **Last Day to Trade (LDT)/Expiry Date**

LDT/Expiry date is the last date that the warrant holder can exercise the warrant in order to receive the underlying security.

- **Expiry Date+1 to Expiry Date +4**

Between LDT+1 and LDT+4, warrant Issuers will send spreadsheets to Strate advising if the warrant is in the money, or out the money. If the warrant is in the money the event will be updated with the cash and or security ratio and Final MT564 messages will be sent to CSD Participants. Out the money warrants will be treated in the same manner as 'delisted events'.

- **Record Date (RD)**

On Record Date all final entitlements are calculated, after the final settlement run has taken place. Strate will generate an MT564 Pre-Advice message reflecting the entitlements i.e. the cash and security position that the CSD Participant is entitled to together with the record date position. Any exclusion (manual adjustment of cash portion) i.e. decreasing the Issuers SCA account according to the warrants that are out in the market can be done up to payment date.

- **Payment Date**

Corporate Action cash benefits will be distributed in South African Rands only (ZAR). Cash payments need to be credited to Strate's bank account by no later than 10H00 on Payment Date. Once the cash is deposited into Strate's bank account by the Issuer, Strate's Banker will send an MT598-910 message to Strate. Upon successful reconciliation Strate will send MT103 messages to its Banker who will then make payment to the CSD Participants accordingly. Thereafter, the MT566 messages will be generated confirming the cash and or security payment to the various CSD Participants banking and SCA accounts.

Funds must be paid into Strate's Bank account by 15H30 the very latest in order for Strate's Bankers to generate payment. Should payment not be received by the cut off time (15H30) on payment date the pay date of the event will be rolled over and the MT564 message will be sent to the CSD Participants advising that payment has not been received.

Strate will not be liable for any claims due to the late receipt of the payment of funds from the Issuer. Should the cash not be received on payment date Strate will release an MT566 message confirming the securities entitlement that has been credited to the various CSD Participants SCA accounts (if applicable).

Thereafter on Payment Date at the Beginning of the Day, the base Security is Wiped-out and the ISIN is placed into a "To be Deleted Status". The MT566 message will reflect the debit of the base security (ISIN).



#### 6.4.4 Expiry of Warrants (Breach of Barrier Level)

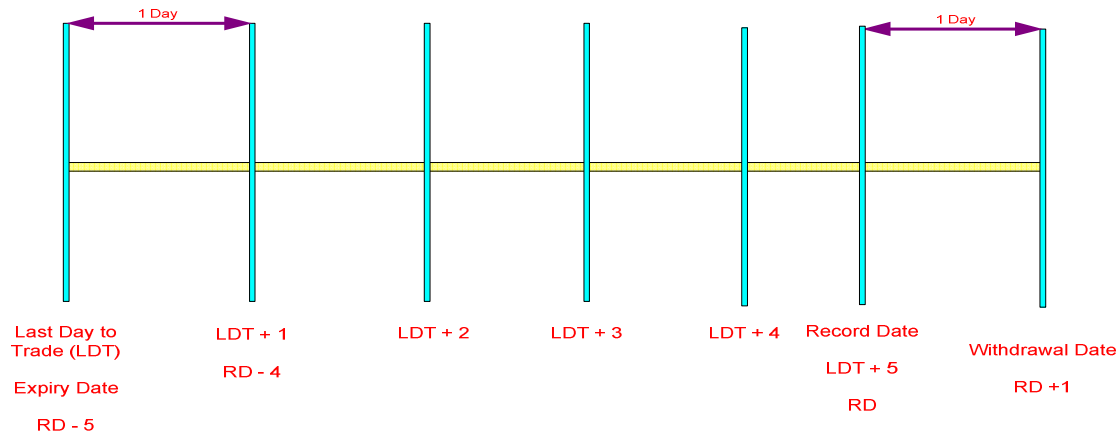


Figure 7: Expiry of Warrants (Breach of Barrier) Timeline

#### 6.4.5 List of Expiry of Warrants (Breach of Barrier Level)

List of Expiry of Warrant Event	SWIFT Qualifier
Expiry of Warrants (Breach of Barrier Level)	DLST

Table 8: List of Expiry of Warrants (Breach of Barrier)

#### 6.4.6 Practice Notes for Expiry of Warrants (Breach of Barrier Level)

- Announcement Date**

Upon the warrant breach of barrier level the JSE will announce the breach on SENS. The Strate Corporate Action Department will capture the event. A unique Corporate Action Reference number is generated for that specific event. The Team Lead/Manager will authorise and release the MT564 (PNOE) message to the CSD Participants and the JSE. Thereafter an MT564 (FNOE) message will be sent.

If an expiry of warrant event exits from LDT-9 to LDT, the JSE Limited will advise Strate of the warrant ISIN breaching the barrier. On receiving the notification, Strate will update the expiry date of the Warrant ISIN with the new expiry date as current date and a replacement MT564 (PNOE) message will be released on the existing unique Corporate Action Reference number. Thereafter an MT564 (FNOE) message will be sent.

If the JSE makes an announcement after 17:00 hours the expiry date will be updated as the next business date. As and when additional information is announced the event will be updated accordingly and the MT564 replacement message released.

- **Last Day to Trade (LDT)/Expiry Date**

Expiry date will equal the date of the breach of barrier of the warrant.

- **Record Date (RD)**

On Record Date after the final settlement run has taken place. Strate will generate an MT564 Pre-Advice message reflecting the record date position. Any exclusion (manual adjustment of cash portion) - i.e. decreasing the Issuers SCA account according to the warrants that are out in the market can be done up to payment date.

- **Payment Date**

On Payment Date at the Beginning of the Day, the base Security is Wiped-out and the ISIN is placed into a "To be Deleted Status". The MT566 message will reflect the debit of the base security (ISIN).