

Directive of Strate (Pty) Ltd

Special Gazette No S11-2019

Strate Directive SC.5

Voting Procedure – Domestic Companies –
Equity Securities

The logo consists of a white square outline containing the word "strate" in a bold, lowercase, sans-serif font. The background of the entire page is split diagonally from the top-left to the bottom-right. The upper-left portion is dark grey, and the lower-right portion is black. A teal triangle is visible in the bottom-right corner of the page.

strate

To cater for voting procedures (either through manual or electronic means); to cater for requests for letters of representation and submission of proxy appointments by Shareholders in the Strate environment, so as to facilitate the attendance or voting by such Shareholders at general (including scheme meetings) or annual general meetings of domestic companies, and foreign incorporated companies whose Securities have not been registered in the name of PLC Nominees.¹

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¹ Heading amended with effect from 2 December 2019

1. INTERPRETATION AND DEFINITIONS²

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

‘Announcement’ means notices regarding rights and other benefits accruing to owners of Securities, which are published by Issuers through the news service of the applicable Exchange and, where provided to Strate, company reports and circulars. In respect of Unlisted Securities, Announcements means all notices regarding rights and other benefits accruing to owners of Unlisted Securities, which are provided by Issuers to Strate;³

‘Authorised User’ means a person authorised by an Exchange in terms of the Exchange rules to perform such Securities services as the Exchange rules may permit;

‘Consent Meeting’ means the exercise of Shareholders’ voting rights as contemplated in section 60 of the Companies Act, through means other than at a Shareholders’ meeting;⁴

‘CSA’ means Central Securities Account;

‘End of Day (EOD)’ means the time as stipulated in the Strate Directive dealing with operational market windows in respect of any Exchange;⁵

‘Issuer 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;

‘Listed Securities’ means Securities that are listed on an Exchange;

‘Meeting’, with respect to any particular matter concerning an Issuer, means a meeting of those Shareholders of an Issuer who are entitled to exercise voting rights in relation to that matter. For purposes of this Strate Directive, the term “Meeting” includes a Consent Meeting;⁶

‘Record Date’ means the date on which Shareholders’ holdings, upon which the voting rights of such Shareholders are based, are ascertained; and

‘Unlisted Securities’ means Securities that are not listed on an Exchange.

2 “JSE” deleted with effect from 1 November 2017. Section amended with effect from 2 December 2019

3 Amended with effect from 1 November 2017

4 Inserted with effect from 2 December 2019

5 Amended with effect from 1 November 2017

6 Inserted with effect from 2 December 2019

2. RECORD DATE, ANNOUNCEMENTS AND RECORD OF HOLDINGS⁷

- 2.1 An Issuer or Issuer Agent must publish a Record Date for a Meeting that is at least 3 (three) Business Days prior to the Meeting. If the Issuer or Issuer Agent fails to publish a Record Date, the Record Date for the Meeting is deemed to be 3 (three) Business Days prior to the Meeting.
- 2.2 Announcements relating to companies are obtained by Strate from the applicable Exchange, Issuers or Issuer Agents. Upon receipt of an Announcement from the Issuer or Issuer Agent, or the relevant Exchange, Strate will:
 - 2.2.1 create a Meeting Announcement in the form of MT564 and MT568 messages; and
 - 2.2.2 distribute the Announcement to all Participants, who are responsible for notifying their Clients of all Meetings and the cut-off time for the submission of their voting instructions and requests for proxy forms.
- 2.3 Participants may elect not to send Announcements to their Clients where:⁸
 - 2.3.1 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;
 - 2.3.2 Clients have elected not to receive such Announcements;
 - 2.3.3 Clients have mandated the Participant to act on their behalf without reference; or
 - 2.3.4 the Issuer is not required by the applicable Exchange and / or the Companies Act to send the Announcement.
- 2.4 As updated or additional information relating to the Meeting is published, the original Announcement is enhanced, and the additions or updated information will be distributed accordingly.
- 2.5 Strate will:
 - 2.5.1 provide the Issuer or Issuer Agent, with a record of Shareholders' holdings in the Issuer's Uncertificated Securities Register per CSA per Participant as at EOD on the Record Date of the Meeting stipulated in the Announcement sent by Strate;
 - 2.5.2 advise each Participant of its record of Shareholders' holdings in the Issuer's Uncertificated Securities Register per CSA after Settlement has been concluded on the Record Date of the Meeting.

⁷ Section amended with effect from 2 December 2019

⁸ Inserted with effect from 2 December 2019

3. VOTING PROCEDURE⁹

Voting may be conducted manually in accordance with paragraphs 3.1 and 3.2, or electronically in accordance with paragraph 3.3.

3.1. Voting through a Participant – Manual Procedure

- 3.1.1 Participants must facilitate their Clients' rights to participate and vote in Meetings.
- 3.1.2 Participants must:
 - 3.1.2.1 collate the voting instructions received from their Clients on whose behalf they hold Securities as Nominee;
 - 3.1.2.2 check the votes received against their Clients holdings as at the Record Date of the Meeting to ensure that Clients do not exceed their voting rights;
 - 3.1.2.3 reject any voting instructions received from Clients which are in excess of such Clients' voting rights.
- 3.1.3 Where Participants receive voting instructions from their Clients, and subject to paragraphs 3.2.1 and 3.2.2, Participants must ensure that proxy forms or other necessary documentation are completed in accordance with the Clients' voting instructions and applicable law.
- 3.1.4 Participants must retain the voting instructions in the same manner and for the same period as any other instruction received from a Client.
- 3.1.5 Where Clients on whose behalf Participants hold Securities as Nominee wish to attend a Meeting in person, Participants must, upon request by the Clients, issue such Clients with letters of representation or other necessary documentation, in accordance with applicable law.
- 3.1.6 Participants must provide the Issuer or Issuer Agent with proxy forms or letters of representation by the cut-off time stipulated in the relevant Announcement.
- 3.1.7 Participants must provide the Issuer, or the Issuer Agent and Strate with information relating to their Clients' voting instructions where written permission has been received from such Clients.

⁹ Section amended with effect from 2 December 2019

3.2. Voting through an Authorised User – Manual Procedure

- 3.2.1 Where Authorised Users are Clients of Participants, Authorised Users must:
 - 3.2.1.1 collate voting instructions received from Clients on whose behalf they hold Securities as Nominee;
 - 3.2.1.2 check the votes received against their Clients' holdings as at the Record Date of the Meeting to ensure that Clients do not exceed their voting rights;
 - 3.2.1.3 reject any voting instructions received from Clients which are in excess of such Clients' voting rights.
- 3.2.2 Authorised Users must, subject to paragraph 3.2.6, ensure that proxy forms or other necessary documentation are completed on behalf of a Client on whose behalf they hold Securities as Nominee, only if a voting instruction is received from such Client.
- 3.2.3 Authorised Users must retain the voting instructions in the same manner and for the same period as any other instruction received from a Client.
- 3.2.4 Authorised Users must provide the Issuer, or Issuer Agent, Participant and Strate with information relating to their Clients' voting instructions where written permission has been received from such Clients.
- 3.2.5 Where Clients on whose behalf Authorised Users hold Securities as Nominee wish to attend a Meeting in person, Authorised Users must, upon request by the Clients and subject to paragraph 3.2.6:
 - 3.2.5.1 issue such Clients with letters of representation; or
 - 3.2.5.2 where such Authorised Users or their Clients are not reflected on the Uncertificated Securities Register, the Authorised Users must provide their Participant with the Clients' details which the Participant deems necessary to enable the Participant to issue the letters of representation.
- 3.2.6 Authorised Users must, by the cut-off time stipulated in the relevant Announcement:
 - 3.2.6.1 provide the Issuer or Issuer Agent, with proxy forms or letters of representation; or
 - 3.2.6.2 where such Authorised Users or their Clients are not reflected on the Uncertificated Securities Register, the Authorised Users must provide their Participant with voting instructions, or requests for letters of representation by the cut-off time as required by the Participant.

3.3. Electronic Voting¹⁰

Participants and their Clients (including Authorised Users, Nominees and other persons) may execute and submit voting instructions, proxy appointments and other instructions electronically, in a manner that:

- 3.3.1 enables the Clients to exercise their voting rights and participate in Meetings in accordance with applicable law; and
- 3.3.2 protects the integrity of Clients' voting instructions, proxy appointments and any other instructions executed to facilitate Clients' participation in Meetings.

4. ISSUER / ISSUER AGENT PROCEDURES¹¹

- 4.1 Where an Issuer or Issuer Agent requests information from Strate relating to Clients' voting instructions, such request must be submitted in writing to Strate on an official company letter and duly signed. Strate will provide the Issuer or Issuer Agent with information relating to the Clients' voting instructions where written permission has been received from the Clients.
- 4.2 The Issuer or Issuer Agent must ensure that:
 - 4.2.1 the total of the Securities holdings in the Issuer's Uncertificated Securities Register referred to in paragraph 2.5 agrees with the total of the Uncertificated Securities for that Issuer as contained in their records on the date indicated;
 - 4.2.2 the number of Securities for which proxy votes and letters of representation have been received from each individual Participant Nominee is equal to or less than the holdings appearing on the Uncertificated Securities Register provided by that Participant, excluding the Participant's Authorised User client Nominees, other Nominees approved in accordance with the Act, Segregated Depository Accounts and Own Name Clients;
 - 4.2.3 the number of Securities for which proxy votes and letters of representation have been received from each individual Authorised User Nominee is equal to or less than the Authorised User Nominee's holdings appearing on the Uncertificated Securities Register.

¹⁰ Inserted with effect from 2 December 2019

¹¹ Section amended with effect from 2 December 2019