

Directive of Strate (Pty) Ltd

Special Gazette No S11-2019

Strate Directive SC.6

Voting Procedure – Foreign Incorporated
Companies – Equity Securities

strate

To cater for voting procedures (either through manual or electronic means); to cater for the issuing of proxy appointments and proxy voting by Shareholders of Foreign Incorporated Companies and holders of Depository Receipts; to facilitate the attendance or voting by such Shareholders at general or annual general meetings of the Foreign Incorporated Companies.

Note that this Strate Directive does not cater for shareholder meetings of foreign incorporated companies whose Securities have not been registered in the name of PLC Nominees¹

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¹ Amended with effect from 2 December 2019

1. INTERPRETATION AND DEFINITIONS²

In this 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, including Foreign Incorporated Companies, through the news service of the applicable Exchange, and, where provided to Strate, company reports and circulars;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 through means other than at a Shareholders’ meeting in accordance with applicable law;⁴

‘CSA’ means Central Securities Account;

‘Depository Receipt’ means a Security traded on a local licensed Exchange or Off-market that represents a Security, usually in the form of equity, traded on an external Exchange;⁵

‘End of Day’ (EOD) means the time as stipulated in the Strate Directive dealing with operational market windows in respect of any Exchange;⁶

‘Foreign Incorporated Company’ means those foreign incorporated companies, or Depository Receipt Issuers, granted a listing on any local licensed Exchange, and whose Securities have been Immobilised and registered in the name of PLC Nominees;⁷

‘Issuer Agent’ means any person appointed by a Foreign Incorporated Company, or Depository Receipt 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 Foreign Incorporated Company;

‘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;⁸

‘PLC Nominees’ means PLC Nominees (Proprietary) Limited Registration Number 1989/002235/07; and

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

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 26 June 2017

6 Amended with effect from 26 June 2017

7 Amended with effect from 26 June 2017

8 Inserted with effect from 2 December 2019

2. ANNOUNCEMENTS AND RECORD OF HOLDINGS⁹

- 2.1 Announcements relating to companies are obtained by Strate from the applicable Exchange, Foreign Incorporated Company or Issuer Agents. Upon receipt of an Announcement from the Foreign Incorporated Company or its Issuer Agent, or the relevant Exchange, Strate will:
 - 2.1.1 create a Meeting Announcement in the form of MT564 and MT568 messages; and
 - 2.1.2 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.
- 2.2 Participants may elect not to send Announcements to their Clients where:¹⁰
 - 2.2.1 the salient details of such Announcements are incorporated in a company notice, report or circular which has been, or will be, sent directly to Clients by an Issuer;
 - 2.2.2 Clients have elected not to receive such Announcements;
 - 2.2.3 Clients have mandated the Participant to act on their behalf without reference; or
 - 2.2.4 the Issuer is not required by the applicable Exchange and / or the Companies Act to send the Announcement.
- 2.3 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.
- 2.4 Strate will:
 - 2.4.1 provide the Foreign Incorporated Company or its Issuer Agent, with a record of Shareholders' holdings after Settlement has been concluded on Record Date;
 - 2.4.2 advise each Participant of its record of Shareholders' holdings per CSA after Settlement has been concluded on Record Date.
- 2.5 PLC Nominees will issue proxy forms or appointments, or other necessary documentation, to Participants and Authorised Users for all the Participants' and Authorised Users' Clients whose requests to attend a Meeting in person have been received by Strate in accordance with this Directive and before the cut-off time stipulated in the relevant Announcement sent by Strate.
- 2.6 Neither Strate nor PLC Nominees will be held liable where any voting instructions or requests for the issue of proxy forms or appointments, or other necessary documentation, are received by Strate after the cut-off time stipulated in the relevant Announcement sent by Strate.

⁹ Section amended with effect from 2 December 2019

¹⁰ Inserted with effect from 2 December 2019

3. VOTING PROCEDURE¹¹

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 voting instructions received from Clients on whose behalf they hold Securities as Nominee;
 - 3.1.2.2 check the votes received against the record of their Clients' holdings to ensure that Clients do not exceed their voting rights; and
 - 3.1.2.3 reject any voting instructions received from Clients which are in excess of such Clients' voting rights.
- 3.1.3 Participants must:
 - 3.1.3.1 submit voting instructions to Strate on behalf of Clients in accordance with the Clients' voting instructions and applicable law; and
 - 3.1.3.2 retain the voting instructions in the same manner and for the same period as any other instruction received from a Client.
- 3.1.4 Where Clients on whose behalf Participants hold Securities as Nominee wish to attend a Meeting in person, Participants must, by the cut-off time stipulated in the relevant Announcement sent by Strate, inform Strate of the Clients' requests for proxy forms, letters of representation or other necessary documentation in accordance with applicable law, and provide Strate with the following information in respect of such Clients:
 - 3.1.4.1 Full Name;
 - 3.1.4.2 Identification or passport number;
 - 3.1.4.3 Number of Securities held; and
 - 3.1.4.4 CSA number in Strate in which the Client's Securities are held.

¹¹ Section amended with effect from 2 December 2019

- 3.1.5 Participants must aggregate their Clients' voting instructions and provide Strate with one consolidated voting instruction per CSA by the time stipulated in the relevant Announcement. This consolidated voting instruction must be sent by email to CorporateActions@strate.co.za and must contain the number of Securities for which voting instructions have been received in each way per resolution.
- 3.1.6 Participants must provide the Foreign Incorporated Company, or the Issuer Agent and Strate with information relating to their Clients' voting instructions where written permission has been received from such Clients.
- 3.1.7 Participants must ensure that the number of Securities for which voting instructions have been received per resolution plus the number of Securities for which proxy forms have been requested by the Participant to enable a Client to attend a Meeting in person, in accordance with this Directive, do not exceed the Record Date Shareholders' holdings in that specific CSA.
- 3.1.8 Where Participants provide Strate with further voting instructions, the Participant must indicate whether these instructions replace or are in addition to, the earlier voting instructions.
- 3.1.9 Participants must notify all their Clients who hold the relevant Securities of all Meetings and the cut-off time for the submission of their proxy voting instructions and requests for proxy forms, or other necessary documentation in accordance with applicable law, to enable a Client to attend a Meeting in person.
- 3.1.10 Strate will receive and accept proxy voting instructions from Participants until the cut-off time stipulated in the relevant Announcement sent by Strate. The eligible proxy voting instructions will be verified against the number of Securities held in the stipulated CSA in Strate or in Participants' Subregisters, as advised in terms of paragraph 2.4.
- 3.1.11 The eligible voting instructions will then be aggregated by Strate, and PLC Nominees will complete proxy forms and submit them to the respective Foreign Incorporated Company or its Issuer Agent in terms of the relevant Announcement sent by Strate.

3.2. Voting through an Authorised User – Manual Procedure

- 3.2.1 Where Authorised Users are Clients of Participants, Authorised Users may only submit voting instructions in accordance with their Clients' voting instructions and applicable law. Authorised Users must retain the voting instructions in the same manner and for the same period as any other instruction received from a Client.

- 3.2.2 Where Clients on whose behalf Authorised Users hold Securities as Nominee wish to attend a Meeting in person, Authorised Users must, by the cut-off time stipulated by their Participants, inform Strate of the Clients' requests for proxy forms, or other necessary documentation in accordance with applicable law, and provide Strate with the following information in respect of such Clients:
- 3.2.2.1 Full Name;
 - 3.2.2.2 Identification or passport Number;
 - 3.2.2.3 Number of Securities held; and
 - 3.2.2.4 CSA number held at Strate.
- 3.2.3 Authorised Users must aggregate their Clients' voting instructions and provide Strate or a Participant with one consolidated voting instruction per Nominee, per CSA, by the time stipulated by their Participants. Where an Authorised User provides a voting instruction to Strate, it must be sent by email to CorporateActions@strate.co.za and must contain the number of Securities for which voting instructions have been received in each way per resolution.
- 3.2.4 Authorised Users must provide the Foreign Incorporated Company, or the 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 Authorised Users must ensure that the number of Securities so voted per resolution plus the number of Securities for which proxy forms, or other necessary documentation in accordance with applicable law, have been requested by the Authorised User to enable a Client to attend a Meeting in person, in accordance with this Directive, do not exceed the total holdings in that specific CSA. Authorised Users must not duplicate voting by sending voting instructions both to Strate and their Participant.
- 3.2.6 Where Authorised Users provide Strate with further voting instructions, the Authorised User must indicate whether these instructions replace or are in addition to, the earlier voting instructions.
- 3.2.7 Strate will receive and accept proxy voting instructions from Authorised Users until the cut-off time stipulated in the relevant Announcement sent by Strate. The eligible proxy voting instructions will be verified against the number of Securities held in the stipulated CSA in Strate or in Participants' Subregisters, as advised in terms of paragraph 2.4.
- 3.2.8 The eligible voting instructions will then be aggregated by Strate, and PLC Nominees will complete proxy forms and submit them to the respective Foreign Incorporated Company or its Issuer Agent in terms of the relevant Announcement sent by Strate.

3.3. Electronic Voting¹²

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. FOREIGN INCORPORATED COMPANY / ISSUER AGENT PROCEDURES¹³

- 4.1 Where a Foreign Incorporated Company or its 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 Foreign Incorporated Company or its Issuer Agent with information relating to the Clients' voting instructions where written permission has been received from the Clients.
- 4.2 The Foreign Incorporated Company or its Issuer Agent must ensure that the total number of Securities for which proxy forms have been signed by PLC Nominees do not exceed the Shareholders' holdings of PLC Nominees on the register on the date of the Meeting.

5. DEPOSITORY RECEIPTS¹⁴

The above provisions are subject to the provisions of the relevant deposit agreement in respect of Depository Receipts.

¹² Inserted with effect from 2 December 2019

¹³ Inserted with effect from 2 December 2019

¹⁴ Inserted with effect from 2 December 2019