Directive of Strate (Pty) Ltd

Special Gazette No. S4-2026
Strate Directive SD.3

Processing of Capital Events - Bonds

strate

To facilitate, *inter alia*, the payment by Participants to Clients of interest, dividends and all other entitlements, received from Issuers, and the distribution by Participants to Clients of notices and other information received from Strate.

The content of this material is protected under South African copyright law. No part of this material may be copied, completely or partially, either electronically or manually, without the written consent of Strate (Pty) Ltd.

This material remains the sole property of Strate (Pty) Ltd.

Index

1. Disclaimer

1.1 Strate does not make any representations or warranties, express or implied, as to the accuracy, completeness or reliability of information contained in any Capital Event Information published by Issuers, or an Exchange, and sent by Strate.

1.2 Strate is not liable to any person for any delays in the sending or non-receipt of:

1.2.1 Capital Event Information or other information published by Issuers or Issuer Agents, or an Exchange; or

1.2.2 payments and other entitlements.

1.3 Strate is not responsible or liable to any person for any loss or damage resulting from:

1.3.1 any delay, act or omission on the part of any third party;

1.3.2 incorrect, inaccurate, defective or misleading information furnished or supplied by the Issuer or Issuer Agent, an Exchange or any third party; or

1.3.3 the interruption or failure of communications links, power failure, the loss or destruction of any data and any loss or damage caused by natural disaster, riot, insurrection, acts of vandalism, sabotage or similar cause.

1.4 Strate is not liable for any loss incurred by any person as a result of an amendment and/or cancellation of a Capital Event or any terms thereof by the Issuer or Issuer Agent, an Exchange or any third party.

1.5 Strate is not liable for any loss, damage or claim incurred by any person, including but not limited to Issuers, Participants and/or Clients of Participants, as a result of the bank, in whose account the cash entitlements are held, being declared insolvent, becoming the subject of business rescue proceedings or having a curator appointed in terms of any law, prior to those cash entitlements being distributed.

2. Interpretation and Definitions

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

© Strate (Pty) Ltd

3. Capital Event Information

3.1 The Issuer or Issuer Agent must in a time, manner and form as set out by Strate, provide Strate with the Capital Event Information and, in respect of Unlisted Securities, confirmation on whether the Interest Payments are subject to withholding tax.

3.2 Where the Issuer or Issuer Agent fails to provide any Capital Event Information, Strate will default the relevant indicators of such Capital Event to 'No'.

3.3 Subject to 3.1 above, Strate will electronically send to Participants:

3.3.1 a preliminary notification of the Capital Event Information 30 (thirty) Business Days before Payment Date,

3.3.2 a final notification of the Capital Event Information 20 (twenty) Business Days before Payment Date,

or within such period as may be determined by the Issuer in consultation with Strate.

3.4 A Participant must notify its Clients who hold the respective Securities of the Capital Event Information upon receipt from Strate of the notifications referred to in 3.3 above.

4. Dematerialisation and Rematerialisation Orders

With respect to Securities affected by a Capital Event:

4.1 A Participant and an Issuer or Issuer Agent must finalise the processing of any Dematerialisation or Rematerialisation orders by 13h00 on Record Date.

4.2 A Participant must only recommence sending Dematerialisation or Rematerialisation orders from RD+1.

4.3 An Issuer or Issuer Agent may send instructions for the cancellation or reduction of Securities to Strate on Record Date, subject to the timelines stipulated in Directive SD.2 – *Operational Market Windows – Off-market – Bonds - JSE.*

5. ZARONIA Interest Rate Calculation

5.1 SARB publishes the ZARONIA rate at 10h00 each day. On RD-4, Strate finalises the Interest Rate for the end date of the current interest period. In the event that SARB determines that the rate published at 10h00 is not correct, SARB will publish a corrected rate at 12h00 and Strate shall recalculate the Interest Rate accordingly.

© Strate (Pty) Ltd

5.2 Strate notifies the final Interest Rate and Interest Payment amount to the Issuer or Issuer Agent at 10h30, or 12h30 in the event of a correction by SARB.

5.3 Strate notifies the final Interest Rate to Participants at 10h30, or 12h30 in the event of a correction by SARB

6. Record Date

6.1 Determining Record Date holdings requires the Participant and its Clients to take into account all transactions that are due to settle on or before Record Date.

6.2 Holdings for the purpose of calculating Interest Payments will be those holdings held in Strate after Settlement has been completed on Record Date.

6.3 Holdings for the purpose of calculating the partial or full Redemption Payments will be those holdings held in Strate after Settlement has been completed on Record Date.

6.4 After Settlement has been completed on Record Date, Strate will provide the Issuer or Issuer Agent with details of the aggregate cash due to Participants on Payment Date in respect of Participants' entitlements.

6.5 For ZARONIA-linked Securities, the Issuer or Issuer Agent must confirm to Strate the Interest Payment amount by 17h00 on RD.

6.6 For JIBAR-linked Securities, the Interest Rate is announced by the Issuer or Issuer Agent on the previous Payment Date (current reset date). Strate will publish the Interest Rate to Participants at 10h30 on the same day.

6.7 While notes are being transitioned from JIBAR-linked to ZARONIA-linked, the Issuer or Issuer Agent must, in respect of existing JIBAR-linked Securities, confirm the Interest Payment amount to Strate by 17h00 on PD-2.

6.8 After Settlement has been completed on Record Date, Strate will advise the Participants of the eligibility per CSA and such communication may include entitlements subject to the entitlement rate being available.

6.9 Any Securities that are Deposited or transferred in the records of Strate or Participants during the Books Closed Period will not be eligible for the purpose of calculating Interest Payments.

7. Payment Advice

7.1 The Issuer or Issuer Agent must provide Strate with the Interest Payment or partial/full Redemption Payment amount by EOD on PD-2 for JIBAR-linked Securities Generic Categories 1,

© Strate (Pty) Ltd

2, 3 and 4; and by 12h00 on PD, under exceptional circumstances, for Securities Generic Category 4.

7.2 The Issuer or Issuer Agent must provide Strate with the Interest Payment amount by 17h00 on RD for ZARONIA-linked Securities Generic Categories 1, 2, 3 and 4; and by 12h00 on PD, under exceptional circumstances, for Securities Generic Category 4.

7.3 Where Strate does not receive the payment advice as stipulated in 7.1, it will:

7.3.1 notify Participants of such non-receipt; and

7.3.2 not be obliged to facilitate the distribution of the cash entitlements to Participants; and Participants, Issuers and the Issuer Agents indemnify Strate from any liability arising from non-payment.

7.4 In the event of an error in the payment advice stipulated in 7.1, Strate may facilitate the rectification of such error between the Participant and Issuer or Issuer Agent, and Strate may charge the Issuer an additional fee for such facilitation.

8. Payment Date

8.1 The Issuer must irrevocably fund its designated bank account with the total cash entitlements in respect of the dematerialised holdings, as provided to the Issuer or Issuer Agent by Strate, by 09h00 on Payment Date. Strate will facilitate the distribution of cash entitlements. Where the Issuer funds its designated bank account after:

8.1.1 09h00 on Payment Date, Strate may charge an additional fee for the late payment; and

8.1.2 14h30 on Payment Date, Strate will:

8.1.2.1 notify Participants of the late payment; and

8.1.2.2 process payment to Participants on the next Business Day.

8.2 Strate will not facilitate the distribution of the cash entitlements or send an MT 566 message to Participants until the cash has been cleared and credited to the Issuer’s bank account, in full, and within the time and method outlined in paragraph 8.1.

8.3 Where the Issuer does not fund in full in accordance with 8.1, Strate will have the right to withhold distribution of cash until after such cash has been received in accordance with 8.1 and cleared in full. Strate will not be liable for any interest claims or other liability attaching to non-payment or late distribution of cash. Where the Issuer does not fund in full in accordance with 8.1, and, within 48 (forty-eight) hours from the Payment Date stipulated in the Capital Event Information, Strate will withdraw the Capital Event from the Strate System and notify the Participants accordingly. Any entitlements received thereafter will be processed in consultation with the applicable Issuer outside the Strate System.

© Strate (Pty) Ltd

8.4 Strate is not liable for any interest claims or other liability attaching to the payment of funds where a Participant or Client entitled to receive the cash chooses to distribute cash entitlements prior to receiving the cash from the Issuer.

8.5 A Participant must ensure that it pays its Clients on the same day that payment is received.

9. General

Where a Capital Event does not conform to the Strate System functionality or to the procedures set out in this Strate Directive, such event may be processed as determined by Strate in consultation with the Issuer or Issuer Agent and the Participants.

© Strate (Pty) Ltd