

GUIDANCE NOTE NUMBER 4

OFF-MARKET SHARE TRANSFERS/TRADES

OCTOBER 2025

1. PURPOSE

This guidance note sets out the procedures and requirements for processing off-market share transfers in respect of securities listed on the Cape Town Stock Exchange (CTSE or Exchange). The note clarifies when standard transfer procedures apply and when formal off-market approval from the Exchange is required.

In the ordinary course of business, all trades on CTSE must be conducted on market via the central order book. CTSE however recognises that there may be circumstances in which trades are negotiated between parties outside of the central order book.

2. STANDARD TRANSFERS (No CTSE Approval Required)

The following transfers will be processed upon receipt of a duly completed share transfer form, board resolution, and supporting documentation:

- a. Deceased Estates
 - Transfers pursuant to deceased estate administration
 - Supporting documentation: Share transfer request form, Letters of executorship, Section 42 letters, estate administration documents, FICA documentation
- b. Donations
 - Bona fide gifts with no consideration
 - Supporting documentation: Share transfer request form, Donation agreement or deed of donation, Resolutions if legal entities involved, FICA documents.
- c. Underlying Beneficial Ownership (UBO) Transfers
 - Transfers where there is no change in the underlying beneficial ownership
 - Example: Transfer from Entity A to Entity B where both entities are owned by the same ultimate beneficial owner
 - Supporting documentation: Share transfer request form, Confirmation of unchanged beneficial ownership (underlying share register, share certificates)
 - Price of allocations must be current market price of the shares

Important Note on Trust Transfers: Transfers to family trusts are acceptable under this category only where the beneficiaries comprise the transferor and their spouse and/or minor children. Trusts with additional or different beneficiaries (e.g., extended family members, unrelated parties) constitute a change in beneficial ownership and require the off-market process outlined in Section 3 below.

All transfer requests must be sent to admin@ctseregistry.co.za and must be accompanied by an authority to act/instruct in the event that the transferor is a legal entity.

Please note that CTSE Registry will assess the transfer request and may require additional information or documentation before the transfer is approved and actioned.

Please note that certain transfers attract Securities Transfer Tax ("STT"). Should STT be applicable, such tax must be settled prior to the transfer being approved and actioned.

3. TRANSACTIONS REQUIRING OFF-MARKET APPROVAL BY CTSE

Any transfer that involves a change in beneficial ownership and involves consideration (monetary or otherwise) constitutes a trade under Exchange Rules. Such transactions must either:

- Be executed on-market through the normal trading system; OR
- Be submitted for off-market approval in accordance with Exchange Rule 24.4

Transactions Requiring Off-Market Approval Include:

- Share transfers involving cash consideration
- Share transfers in settlement of liabilities
- Share transfers where consideration is other than cash (e.g. cryptocurrency, assets, services)
- Share allotments where subscription is in a form other than cash
- Any transfer to trusts, companies, or entities where there is a change in beneficial ownership
- Any transaction where the parties cannot practically execute the transaction through the normal on-market trading system

4. OFF-MARKET APPLICATION PROCESS

a. Application Requirements

Applications for off-market approval must include:

- Completed application form submitted via an registered CTSE broker
- Full description of the transaction, including:
 - Number of shares
 - Price per share (actual or notional price per share)
 - Purchase price or other consideration
 - Identity of transferor and transferee
- Detailed motivation explaining:
 - Why the transaction should be considered off-market
 - Why the transaction cannot be executed through normal on-market trading
- Supporting documentation, including:
 - Signed sale agreement or other transaction documents
 - Proof of consideration (where applicable)
 - Any other relevant agreements or arrangements

b. Fees and Costs

CTSE application fee: as per the fee schedule published on the CTSE website: www.ctexchange.co.za (non-refundable and payable immediately on receipt of an invoice from CTSE).

- Transaction fees: To be advised by the Exchange in terms of the CTSE Fee Schedule upon approval, based on the size and nature of the transaction and includes the Exchange Trading Fee, Client Protection Fund Levy, Securities Transfer Tax, Value-Added Tax and any brokerage fees
- Pre-funding requirement: In line with the CTSE pre-funded, pre-validated trade model, all fees and any cash consideration must be paid in advance before the transaction can be processed

c. Broker Requirements

- The transferee must have an active account with a registered CTSE broker
- The broker will advise and assist the applicant in preparing the off-market application in accordance with the Exchange Rules
- Any broker fees (i.e. application or brokerage fees) to be finalised between the applicant and the broker
- Applications should be submitted to CTSE via the broker rather than directly by parties to the transaction
- The broker will liaise with CTSE on behalf of the applicant

d. Review Process

- Exchange will review the application and supporting documentation
- Exchange may request additional information or documentation
- Exchange will approve or decline the application based on:
 - Completeness of application
 - Adequacy of motivation and the commercial rationale thereof
 - Compliance with Exchange Rules
 - Market integrity considerations, including the price at which the trade is intended to be conducted compared to the market price of such securities and existing bids and offers of such securities in the market

- iv. Upon approval, Exchange will confirm transaction costs
 - v. Once all fees are pre-funded, the Registry will process the transfer. Registry may charge an additional processing fee depending on the complexity and volume of the trades
- e. Timeframes
- o Please allow adequate time for the Exchange review process (typically five business days depending on the complexity of the transaction and the completeness of the application documentation)
 - o Applications will not be processed until all fees are received
 - o Parties should factor in these requirements when structuring transactions

5. KEY PRINCIPLES

Change in Beneficial Ownership: The critical test is whether there is a change in the underlying beneficial ownership. If beneficial ownership changes and consideration is involved, the transaction constitutes a trade requiring either on-market execution or off-market approval.

Circumventing the Exchange: Parties may not structure transactions to circumvent Exchange trading requirements. The off-market process exists for legitimate, commercial transactions that cannot practically be executed on-market, and not as a means to avoid Exchange oversight.

Issuer Role: The listed issuer is not a party to shareholder-to-shareholder transactions and cannot authorise or approve trades between shareholders. Such transactions are subject to Exchange Rules and must follow the appropriate process.

6. REFERENCE

This guidance note is issued pursuant to Exchange Rule 24.4 and related provisions of the CTSE Exchange Rules.

7. QUERIES

For queries regarding this guidance note or specific transactions, please contact:

The Cape Town Stock Exchange
Email: info@ctexchange.co.za
Tel: 011 100 8352

This guidance note is intended to provide general guidance only and does not constitute legal advice. Parties should seek appropriate professional advice in relation to specific transactions and are responsible for their own tax affairs arising from an off-market trade (e.g. capital gains tax, donations tax).