

# General Trading Information

## What is trading?

Trading is the process whereby the shareholders of YeboYethu sell their shares via the JSE to other Black people or entities that buy the shares.

## Where can we trade shares?

Existing shareholders can:

- Verify and Register, Individual or Group, to Transact in in your shares via the Standard Trading Process.
- Verify and Register to Transact in your shares via the Own-Broker Trading Process.
- Verify and Register to Transact in your shares via the Off-Market Trading Process.
- New potential shareholders need to complete the application process first.

## Where can I access the Standard Trading Process?

You can buy or sell shares via the Transaction Platform that we have made available to our shareholders. The Transaction Platform can be accessed directly on the internet at <https://yeboyethushares.dev.tradedesk.co.za/> or by calling the YeboYethu Transaction Platform call centre at 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## When will trading on the JSE start?

From Thursday 11 August 2016 at 09h00.

## Most people don't understand trading in shares, now YeboYethu is listing on the JSE, how will YeboYethu ensure trading is simple for most people?

YeboYethu is implementing a communication campaign to educate its current shareholders and prospective shareholders. These include communicating directly with the current shareholders, which started during the annual general meeting in October 2013. Other communication methods include the internet, call centre and media (print and electronic).

## How are you going to make sure that there is no fronting?

Rigorous verification processes are in place to ensure that only qualifying Black people and Black groups are in the scheme.

## Who qualifies to participate?

- African, Coloured or Indian persons who are natural persons and who are citizens of the Republic by birth or descent;
- Only Black South African groups;
- People who are citizens of the Republic by naturalisation before 27 April 1994; and
- People who became citizens of the Republic after 27 April 1994, but who, but for the Apartheid policy, would have been entitled to acquire citizenship by naturalisation prior to that date.

## How do I trade shares once YeboYethu is listed?

You can buy or sell shares via the Standard, Own-Broker or Off-Market Trading Processes once you have been verified for one of these processes. The Verification Processes can be accessed through the internet at <https://yeboyethushares.dev.tradedesk.co.za/> or by calling the Transaction Platform Call Centre 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## What are the requirements to trade via the JSE?

- For existing shareholders, you need to choose a method to trade and then complete Verification Processes for that method. Once the process is completed you will be able to buy or sell shares via your chosen method;
- If you are not a shareholder, you need to apply first before you are able to buy shares;
- Verification and registration for trading once YeboYethu lists on the JSE starts on Monday 18 July 2016 and can be conducted directly through the internet <https://yeboyethushares.dev.tradedesk.co.za/> or via the Call centre 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).
- Certain FICA and BEE documentation may be required. These include:
  - Certified copy of South Africa ID document;
  - Bank statement not older than 3 months (not internet statements); or
  - Signed and stamped letter from your bank confirming banking details;
  - Proof of residence
- You also need to sign terms and conditions;
- A trading account will then be opened.
- When the required documents (as listed above) have been submitted to the BEE Verification Agent, Trading Entity and Custody Entity as applicable, then the details in the documents will be verified. Only after the verification process will the account be enabled for trading, and then you can deposit money if you want to buy shares.

## **When will I be able to trade my shares?**

You will be able to trade your YeboYethu shares via your chose method from Thursday 11 August 2016 at 09h00. For the YeboYethu Standard Trading Process You will be able to submit trade instructions either via the online Transaction Platform or via the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## **How long will the trading platform be in operation for?**

The Transaction Platform will remain in operation until YeboYethu ceases to exist. All shareholders will be informed if there is any change to this.

## **What are the trading hours?**

JSE trading hours are weekdays between 09:00 and 17:00 excluding public holidays. The call centre operating hours are between 09:00 and 17:00 excluding public holidays. Shareholder can only place buy bids and sell offers during JSE trading hours.

## **How do I access the online trading platform?**

Go to <https://yeboyethushares.dev.tradedesk.co.za/> and log in using your shareholder number, ID number, One Time Pin and password.

## **What do I do if I forget my password?**

Click "Forgotten Password" on the Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or Contact the Transaction Platform call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) and ask one of the agents to reset your password for you. You will be sent a new password via SMS.

## **What do I do if I forget my shareholder number?**

Contact the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) and ask one of the agents to provide you with your shareholder number. You will be asked some security questions before you are provided with the shareholder number.

## **What if I do not receive an SMS?**

Contact the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) to update your cell phone number and reset your password.

## How do I change my password?

Go to <https://yeboyethushares.dev.tradedesk.co.za/> enter your shareholder number and login, go to the My Account button. At the change password section you will be requested to enter the old password first before changing to the new password.

## I submitted a trade request a while back but I received notification that it has now expired. What should I do?

Pending trade instructions remain in the JSE central order book for a maximum of 90 days or less depending on what you stipulated at the time it was submitted. You can re-submit a trade request, either via the online trading platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone), if you wish to do so. The alternative is to do nothing if you no longer wish to sell or buy shares for the moment.

## Who can I contact if I have a query regarding the online transaction platform?

You can speak to any of the consultants via the telephone 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone). Alternatively, you can email a consultant at [support@yeboyethushares.co.za](mailto:support@yeboyethushares.co.za) and they will endeavour to respond in the quickest possible time.

## How will I know if my trade has been matched in the JSE central order book?

You will receive an SMS notifying you that your trade has been matched.

## What are the costs of trading, and why do I have to pay fees?

The trading cost on a buy or sell transaction is 0.35% of the value of the trade (excl. VAT), subject to a minimum transaction cost of R115 (excl. VAT) up to a trade value of R40 000 per day\*. If your buying value is more than R40 000 the transaction costs are R115 + (0.35% of amount above R40 000) + 14% VAT + 0.25% STT. The fees charged are for the provision of the Standard Trading Process.

### Example 1 – when the Transaction Fee is above the minimum of R115

If BUYER X buys 1000 shares from SELLER Y for R50 per share, the Matched Price is R50 000.

#### BUYER X must pay:

Cost	How it is worked out	Total
Matched Price	1000 shares x R50.00 a share	R50 000.00
Transaction Fee	R115 + (0.35% of [R50000-R40000])	R150.00
VAT on Transaction Fee	14% of R150.00	R21.00
Securities Transfer Tax	0.25% of R50 000.00	R125.00
Total that Buyer X must pay		R50 296.00

**SELLER Y must pay:**

Cost	How it is worked out	Total
Transaction Fee	R115 + R35	R150.00
VAT on Transaction Fee	14% of R150.00	R21.00
Total that Seller Y must pay		R171.00

**Example 2 – The minimum Transaction Fee applies (R115)**

If BUYER Z buys 50 shares from SELLER W for R50 per share, the Matched Price is R2 500.

**BUYER Z must pay:**

Cost	How it is worked out	Total
Matched Price	50 shares x R50.00 a share	R2 500.00
Transaction Fee	R115.00**	R115.00
VAT on Transaction Fee	14% of R115.00	R16.10
Securities Transfer Tax	0.25% of R2 500.00	R6.25
Total that Buyer Z must pay		R2 637.35

**SELLER W must pay:**

Cost	How it is worked out	Total
Transaction Fee	R115.00**	R115.00
VAT on Transaction Fee	14% of R115	R16.10
Total that Seller W must pay		R131.10

\* The trading cost on a buy or sell transaction is 0.35% of the value of the trade (excl. VAT), subject to a minimum transaction cost of R115 (excl. VAT) to trade value of R40 000

\*\* 0.35% of R2 500 is R8.75. The higher of R8.75 and R115 is R115. Therefore, the Transaction Fee is R115

**How is a transaction completed on the Transaction Platform?**

The Transaction Platform places willing buyers and willing sellers orders in the JSE central order book. If there is a buyer and seller that meet at the same price, then the trade will be executed by the JSE central order book and this transaction is reported back to the shareholder.

**What happens if my order is not met in the JSE central order book?**

Any buy or sell order has a default expiration period of 90 days, which you can shorten upon order entry. If the JSE central order book does not find a matching shareholder to transact with, then the order will simply be cancelled after the entered expiration period (default of 90 days). This means that the shares will still be yours if you entered a "sell order", or the money will still be yours if you entered a "buy order".

## **I submitted a trade instruction a while back, but received a notification that it has expired. What should I do?**

Pending trade instructions remain in the JSE central order book for a maximum of 90 days or less depending on what you stipulated at the time it was loaded. You can re-submit a trade request, either via the online Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone), if you wish to do so. The alternative is to do nothing if you no longer wish to sell or buy shares for the moment.

## **What happens to my money in the trading account?**

If you've deposited money into your trading account, you can place an order to buy shares. Your trading account will be reduced by the transaction value. If your sell order matches, then the proceeds can either be paid to your nominated bank account on JSE settlement date or be paid into your trading account. Your preference for this is set at the "My Account" tab of your Trading Account.

## **How will I know if my trade has been matched?**

You will receive an SMS notifying you that your trade has been matched.

## **How are trades matched?**

All orders are matched in terms of JSE rules for matching.

## **What should I do if I want to cancel an order on the Standard Trading process?**

Login to your trading account at <https://yeboyethushares.dev.tradedesk.co.za/> and go to 'My Orders' and click cancel against any pending orders. If you want to use the Transaction Platform Call Centre, then contact the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) to update these details. Any partial matches that have occurred prior to the cancellation cannot be reversed as the transactions have already been processed.

## **What should I do if I want to change the price of the order?**

You cannot adjust the price on an existing order. Please cancel the existing order, and enter a new order at your new price. Any partial matches that have occurred prior to the cancellation cannot be reversed as the transactions have already been processed.

## **If my order has been partially matched (executed) and I cancel the remaining portion and reload at a new price, will I be charged another transaction fee when the trade matches?**

Yes, the resubmitted order will be treated as a separate transaction and a transaction fee will apply.

## **Can I change the method of communication relating to my account transactions?**

No. All communication will be posted to shareholders.

## **Will I earn interest on the balance in my "trading account"?**

Interest on cash positive balances: 2% p.a. on positive cash balance in transaction platform account.

## **Why is the current market price different from the underlying value per share?**

This is an open market and the market price is determined by what the sellers and buyers in the market are willing to sell their shares at and buy shares for, respectively

## **What price should I trade my shares at?**

YeboYethu and its agents cannot provide investment advice. You should seek investment advice from an appropriately licensed financial advisor if required in this regard. We merely facilitate the trading process. However, shareholders have access to the following information on the YeboYethu website and the Transaction Platform or via the Call Centre to help with price setting:

- A history of the last 20 trades and the prices at which the shares were traded;
- The 5 lowest prices that sellers are prepared to sell their shares at and the number of shares;
- The 5 highest prices that buyers are prepared to pay for shares and the number of shares.

## **What is the current market price per YeboYethu share?**

Fifteen minute delayed JSE market data and information is available on the YeboYethu website <https://yeboyethushares.dev.tradedesk.co.za/> at all times or you can call the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) during trading hours.

Live JSE market data and information is available ONLY when you are logged into your trading account or you can call the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) during trading hours.

## **Do you have a minimum and maximum number of shares people can buy or sell?**

There is no minimum number of shares that you can buy or sell as well as no maximum number that you can buy or sell.

# General Trading Information

## How do people buy shares?

You can buy shares via the Standard, Own-Broker or Off-Market Trading Processes. The Standard Process is via the Transaction Platform (website or Call Centre). When using Call Centre an agent will take you through a step-by-step process. These are the key steps you will follow when you buy shares via the Transaction Platform Call Centre:

- Deposit money into the Custody Entity account.
- Place your order by providing the following information:
  - The number of shares you wish to buy;
  - The price per share you are willing to pay for the shares; and
  - How long you want your order to last (enter expiry date).
- Confirm and accept the cost of the shares, including taxes and administration fees.
- Your order will be entered into the market for potential buyers and sellers to view.
- The buyers' orders will be matched or successfully processed if:
  - The price of the buyer is the same as that of the seller; and
  - The price of the buyer is higher or equal to the lowest price of the sellers.

## Can I buy shares on behalf of other people?

You can only buy on behalf of a Black South African individual or group under certain circumstances – for example the guardian of a minor, representative of a group or company. You have to first register or verify your status as an authorised person.

## How much does it cost to buy shares?

Administration costs on each buy transaction is 0.35% of the value of the trade subject to a minimum of R115.00 to trade value of R40 000 (i.e. R115.00 per Transactions for that day) plus 0.35% of the value of the Transaction above R40 000 per day. Securities Transfer Tax (STT) at 0.25% of the value of the trade.

## How much tax will I pay if I buy shares?

Buyers will pay Securities Transfer Tax (STT) at 0.25% of the value of the trade before the shares are transferred into your own name. This will occur automatically as part of the buying process.

## When do I need to deposit money for the purchase of the shares?

Deposit money into the Custody Entity bank account before you submit your buy bid. The Custody Entity bank account details are:

Branch Name and number:	Nedbank Bank
Account name:	Pacific Custodians Nominees RF
Account number:	1131632311
Branch code:	198-765

### Use your shareholder number as the beneficiary reference.

Once the funds have been allocated to your trading account you will be able to submit your buy order either via the online Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## What forms of payment are permitted?

Only cash deposits and EFTs are allowed. No cheques are allowed.

## I want to buy shares via the online Transaction Platform but my cash balance is R0.00. What should I do?

Deposit money into the Custody Entity bank account.

Branch Name and number:	Nedbank Bank
Account name:	Pacific Custodians Nominees RF
Account number:	1131632311
Branch code:	198-765

### Use your shareholder number as the beneficiary reference.

Deposits take 2 to 3 working days to appear on your trading account cash balance. Once the funds have been allocated to your trading account you will be able to submit your buy order either via the Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## I made a deposit into the Custody Entity bank account. When can I go ahead and buy shares?

Deposits takes 2 to 3 working days to appear on your trading account cash balance. Once the funds have been allocated to your trading account you will be able to submit your buy order either via the online Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## **I made a deposit into the Custody Entity bank account but it has not been allocated to my trading account. What must I do?**

If you did not use your shareholder number as a beneficiary reference, then your cash cannot be timeously allocated to your trading account. In this case email or fax proof of deposit to 086 249 1030 or [support@yeboyethushares.co.za](mailto:support@yeboyethushares.co.za) and put your shareholder number in the subject heading. The deposit will then be allocated to your trading account and you will be notified of same.

## **Can I submit a bid before making a deposit into the Custody Entity bank account?**

No, trades will not be subject to credit risk and therefore a buyer must deposit money into the Custody Entity bank account before submitting a buy bid. The Custody Entity bank account details are:

Branch Name and number:	Nedbank Bank
Account name:	Pacific Custodians Nominees RF
Account number:	1131632311
Branch code:	198-765

### **Use your shareholder number as the beneficiary reference.**

You will only be permitted to buy shares if you have enough money in your trading account to cover the purchase price, the administration fee and the securities transfer tax (STT).

## **Can a buyer approach a seller directly and negotiate a price?**

Yes. The buyer and seller must complete the Off-Market Transfer Process Verification Requirements and Terms and Conditions to have the transaction affected.

## **Are there limitations on how many shares one can buy?**

No, there is no maximum ownership (directly or in concert) shareholding rule applicable per shareholder.

# Selling Shares

## How do people sell shares?

You can sell shares via the Standard, Own-Broker or Off-Market Trading Processes. The Standard Process is via the Transaction Platform (website or Call Centre). When using Call Centre an agent will take you through a step-by-step process. These are the key steps you will follow when you sell shares via the Transaction Platform Call Centre:

- Place your order by providing the following information:
  - The number of shares you wish to sell;
  - The price per share you are willing to sell the shares for; and
  - How long you want your order to last (enter expiry date).
- Confirm and accept the cost of the shares, including taxes and administration fees.
- Your order will be entered into the market for potential buyers and sellers to view.
- The sellers' orders will be matched or successfully processed if:
  - The price of the seller is the same as that of the buyer; and
  - The price of the seller is lower or equal to the highest price of the buyers.

## Can you sell shares on behalf of other people?

You can only sell on behalf of a Black South African individual or group under certain circumstances, for example the guardian of a minor, representative of a group or company. You have to first register or verify your status as an authorised person.

## How much does it cost to sell shares?

Administration cost on each sale transaction is 0.35% of the value of the trade subject to a minimum of R115.00 to trade value of R40 000 (i.e. R115.00 per Transactions for that day) plus 0.35% of the value of the Transaction above R40 000 per day.

## How much tax will I pay if I sell shares?

Sellers are liable to pay tax on the gain they make and this is subject to capital gains tax or income tax depending on the seller's tax position. YeboYethu is not a tax advisor so you should seek tax advice in your personal capacity. Tax will NOT be deducted automatically as part of the selling process.

## I sold my YeboYethu shares. When will I get my money?

You can expect to receive the money in your bank account three to five working days after your sell order has been settled (three business days after matching by JSE) and you have received an SMS or email notifying you of this.

## **Can I keep the money from my share sale proceeds with the Custody Entity?**

Yes, the seller can choose to keep the proceeds in his trading account for future use. You can request a withdrawal at any time either via the online Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## **Will I earn interest on the money kept in the trading account?**

Yes, interest will be earned by the shareholder on any funds held in their trading account. The interest rate will be 2% p.a. on the available balance in the account accrued daily and paid monthly to the account.

## **How long does it take to pay the money once the selling process is complete?**

Once the selling process is complete, you can select the following payment options:

- The money will be transferred to your banking account; or
- The money will be kept in your trading account if you want to buy more shares; or

## **What do I do if I want to withdraw from my trading account?**

You can request a withdrawal at any time either via the online Transaction Platform at <https://yeboyethushares.dev.tradedesk.co.za/> or via the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone).

## **When will my withdrawal reflect on my bank account?**

You can expect to receive the money in your bank account 3 to 5 days after your withdrawal request.

## **I have become insolvent and my estate is being sequestrated. I need to sell my YeboYethu shares. What must I do?**

You should ask your liquidator to contact the call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone). Your estate will be permitted to transfer your shares to an eligible Black Person or Black Group in terms of the YeboYethu memorandum of incorporation.

# Transfers

## **If I want to donate/transfer my shares to my dependants, relatives and family how do I do that?**

Complete the Off-Market Trading Process Verification Requirements and submit to the BEE Verification Agent. Contact the YeboYethu call centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone) if you require assistance with this process. These requests are handled by the BEE Verification Agent and Custody Entity. These types of transfers will be subject to the Custody Entity administration costs for this service

## **My relative has died and has a YeboYethu share. What must I do?**

Contact the Transaction Platform Call Centre on 010 285 0090 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone). Your relative's estate will be permitted to transfer their shares to an eligible Black Person or Black Group in terms of the YeboYethu memorandum of incorporation and the Off-Market Trading Process.

# Valuation

## **What will the value of YeboYethu shares be when trading starts on the JSE?**

When trading commences on Thursday 11 August 2016 at 09h00, the price of the share will be determined by the market. A market consists of both buyers and sellers all of which have their own opinion on the future value of the shares.

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