



22 Junie 2015

Geagte Meneer/Mevrou,

### **KWV HOLDINGS BPK AANDELE VERHANDELING – VERANDERINGE VANAF 1 JULIE 2015**

Die elektroniese aandeleverhandelingsplatform waarop KWV Holdings Limited aandele in die verlede verhandel het sal na 30 Junie 2015 vervang word met 'n nuwe stelsel. Dit sal gedoen word omdat die tydelike vrystelling om sonder 'n lisensie te verhandel soos verleen deur die Finansiële Dienste Raad ("FDR"), op 30 Junie 2015 sal verval. Die doel van hierdie kommunikasie is om aandeelhouders in kennis te stel van die nuwe stelsel wat vanaf 1 Julie 2015 geïmplementeer sal word.

#### **Oor-die-toonbank verhandeling: tot op hede**

In die verlede is gebruik gemaak van die dienste van PSG, FNB en Sanlam Privaat Welvaart om gewillige kopers en verkopers se transaksies op 'n elektroniese aandeleverhandelingsplatform te laai. Hierdie stelsel het, op grond van 'n geprogrammeerde besluitnemingsmodel, gewillige kopers en verkopers aan mekaar verbind gebaseer op ooreenstemmende pryse. Die dienste van die bogenoemde makelaars was dan gebruik om die koop- en verkooptransaksies af te handel. Bestuur van KWV is steeds van mening dat hierdie stelsel beduidende beskerming aan aandeelhouders verleen het deurdat die hele proses deur geakkrediteerde professionele makelaars bestuur was.

#### **Regulasie deur die FDR**

Op 30 Mei 2014 het die FDR 'n persverklaring uitgereik waarin hulle hul voorneme verklaar het om die huidige oor-die-toonbank verhandeling te begin reguleer aangesien dit voldoen aan die definisie van 'n 'beurs' in terme van die Wet op Finansiële Dienste. Uitreikers van aandele wat oor-die-toonbank verhandel (soos KWV) kon die FDR nader vir tydelike vrystelling van die vereiste om 'n beurslisensie te kry.

Die opsies wat 'n uitreiker het is as volg:

- i)** om aansoek te doen vir 'n beurslisensie;
- ii)** om te lys op 'n beurs soos die JSE of AltX; of
- iii)** om die model van verhandeling te verander sodat dit nie val onder die definisie van 'n beurs nie, dus om weg te beweeg van die huidige elektroniese platform.

Die eerste twee opsies is baie duur en omslagtig, en die KWV direksie het besluit om die derde opsie te implementeer.

KWV het 'n tydelike vrystelling van die FDR verkry van die vereiste om 'n beurslisensie te kry, maar aangesien hierdie vrystelling op 30 Junie 2015 verval, is KWV genoodsaak om nou 'n alternatiewe stelsel te implementeer wat nie binne die definisie van 'n 'beurs' sal val nie.



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**Directors** M J A Golding (Chairman), \*A Van Der Veen (Chief Executive Officer), J A Copelyn, Ms F A Du Plessis, N L Ellis, M N Joubert, K I Mampeule, Ms K R Moloko, Prof L A Van Dyk, \*DP Smit, A W Eksteen (Secretary) \*Executive Director



## Nuwe stelsel van toepassing vanaf 1 Julie 2015

'n Nuwe stelsel sal vanaf 1 Julie 2015 geïmplementeer word met die doel om vir aandeelhouers steeds 'n geleentheid te gee om in KWV aandele te verhandel, maar wat nie binne die definisie van 'n 'beurs' val nie. Hierdie stelsel sal nie meer gebruik maak van die elektroniese aandeleverhandelingsplatform nie, maar sal gebaseer word op direkte bilaterale onderhandelinge tussen die deelnemers van die oor-die-toonbank mark in lyn met die FDR se persverklaring van 4 Julie 2014.

KWV sal vanaf 1 Julie 2015 'n databasis begin byhou met kontakbesonderhede van gewillige kopers en verkopers van KWV aandele. Voornemende kopers en verkopers sal gevra word om hul kontakbesonderhede, asook die beoogde volume en prys van hul transaksie aan KWV te kommunikeer deur gebruik te maak van die eposadres: [shares@kwv.co.za](mailto:shares@kwv.co.za). Die inligting sal opgesom word in 'n databasis wat ten minste op 'n weeklikse basis aan al die voornemende kopers en verkopers op die lys versprei sal word. 'n Opsomming van die volumes en pryse op die databasis sal op die KWV webwerf gelaai word om, soos in die verlede, 'n indikasie te gee van die pryse en hoeveelhede van aandele wat beskikbaar is vir verhandeling.

Die partye moet dan self met mekaar in verbinding tree om op 'n prys en hoeveelheid ooreen te kom. KWV mag nie aan hierdie proses deelneem deur kopers en verkopers aan mekaar te verbind nie, aangesien sulke optrede sou voldoen aan die definisie van 'n 'beurs'.

Wanneer partye besluit het op 'n hoeveelheid en prys sal hul dan die transaksie op enige van die volgende wyses kan deurvoer:

- i) deur gebruik te maak van hul bestaande makelaars;
  - ii) deur gebruik te maak van die dienste van Link Market Services; of
  - iii) deur die transaksie self onder mekaar te voltrek.
- Hierdie laaste opsie word egter nie aanbeveel nie, aangesien dit die minste beskerming aan voornemende kopers en verkopers verleen.

Daar sal verder ook van partye gevra word om alle transaksies wat beklank is aan Link Market Services (0861 546 572) en aan KWV by [shares@kwv.co.za](mailto:shares@kwv.co.za) te kommunikeer. Link Market Services sal die aandeelhouersregister van KWV updateer, en KWV sal die hoeveelheid en prys van die transaksies op die KWV webwerf publiseer om sodoende 'n prysgeskiedenis van aandeeltransaksies by te hou soos in die verlede.

Verdere inligting rakende kontakpersone en die uitleg van die nuwe stelsel kan gevind word by [www.kwv.co.za](http://www.kwv.co.za).

Vriendelike groete

**A W Eksteen**  
**Direkteur: Regsdienste**

  
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22 June 2015

Dear Sir/Madam,

### **KWV HOLDINGS LTD SHARE TRADING - CHANGES FROM 1 JULY 2015**

The electronic share trading platform on which KWV Holdings Limited's shares traded in the past will be replaced with a new system after 30 June 2015. This is necessary as the temporary exemption to trade without a license as granted by the Financial Services Board ("FSB") will lapse on 30 June 2015. The purpose of this communication is to inform shareholders of the new system which will be implemented from 1 July 2015.

#### **Over-the-counter trading: to date**

In the past the services of PSG, FNB and Sanlam Private Wealth were used to upload details of willing buyers and sellers on an electronic share trading platform. This platform used a programmed decision model to match willing buyers and sellers based on corresponding prices. The services of these brokers were then used to conclude the purchase and sale transactions. Management of KWV is still of the opinion that this system provided significant protection to shareholders seeing that the whole system was managed by accredited professional brokers.

#### **Regulation by the FSB**

On 30 May 2014 the FSB released a press release noting their intention to start regulating the current over-the-counter share trading for the reason that the current electronic platforms fall under the definition of an 'exchange' in terms of the Financial Markets Act. Issuers of shares that trade over-the-counter (like KWV) could approach the FSB for temporary exemption from the requirement to obtain a trading license.

The options to an issuer are as follows:

- i)** to apply for an exchange license;
- ii)** to list on an exchange such as the JSE or the AltX; or
- iii)** to change the system of exchange so that it does not fall under the definition of an exchange, thus to move away from the current electronic platform.

The first two options are costly and cumbersome, and the KWV board has decided to implement the third option.

KWV obtained a temporary exemption from the requirement to obtain a trading license from the FSB, but as this exemption will lapse on 30 June 2015, KWV is now forced to implement an alternative system which will not fall under the definition of an 'exchange'.



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## New system from 1 July 2015

A new system will be implemented from 1 July 2015 with the purpose to provide shareholders with an opportunity to trade in KWV shares, but which will not fall under the definition of an 'exchange'. This system will no longer make use of the electronic share trading platform, but will incorporate direct bilateral negotiations between market participants of the over-the-counter market, as prescribed by the FSB in their press release of 4 July 2014.

From 1 July 2015, KWV will be keeping a database with contact details of willing buyers and sellers of KWV shares. Prospective buyers and sellers will be asked to provide their contact details as well as the intended volume and price to the following email address: [shares@kwv.co.za](mailto:shares@kwv.co.za). This information will be collated into a database which will be updated and distributed to all prospective buyers and sellers on the list on at least a weekly basis. A summary of the volumes and prices on the database will be uploaded to the KWV website in order to provide an indication of the available prices and volumes of shares available for trade.

Parties will have to contact each other directly to agree on a price and volume. KWV is not allowed to participate in this process by matching buyers and sellers to each other, as this would fall under the definition of an 'exchange'.

When parties have agreed on a volume and a price, they will have to conclude their transaction in any one of the following manners:

- i) by using the settlement services of the person's existing broker;
  - ii) by using the services of Link Market Services; or
  - iii) by concluding the transaction on their own.
- This last option is, however, not recommended as this provides the least protection to prospective buyers and sellers.

Parties will further also be requested to communicate all concluded transactions to Link Market Services (0861 546 572) and to KWV at [shares@kwv.co.za](mailto:shares@kwv.co.za). Link Market Services will update the shareholder registry of KWV Holdings Limited, and KWV will upload the volume and price of the transactions onto the KWV website to provide a price history of transactions concluded as in the past.

Further information regarding contact persons and details of the new system can be found on [www.kwv.co.za](http://www.kwv.co.za).

Yours faithfully

**A W Eksteen**  
**Director: Legal Services**

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