



South African Reserve Bank

Media release

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SARB shares available to the public

The South African Reserve Bank (SARB) would like to invite all eligible South Africans to acquire 149 200 shares in the SARB. These became available for sale after the High Court of South Africa last year directed some SARB shareholders and their associates to sell shares that were in excess of the statutory limit of 10 000 shares per person, together with their associates.

The South African Reserve Bank Act 90 of 1989 (SARB Act) was amended in September 2010 to extend the 10 000 limitation on shareholding in the SARB to include associates of shareholders. The 10 000 limit was henceforth applied to a shareholder and their associates. After some shareholders had failed to comply with the legislative measures pertaining to this limitation of shareholding, the SARB applied for, and was granted, an order by the High Court of South Africa (Gauteng Division, Pretoria) authorising the sale of the shares held by persons in excess of the statutory limit.

The SARB would like to use this opportunity to diversify its shareholder base by encouraging all eligible South Africans to take up this opportunity to own shares in the central bank of the country.

The concept of private shareholding in the SARB is based exclusively on the principles of shared community representation and participation in the governance of the SARB for the purposes of increased independence, transparency and accountability in the interest of all South Africans.

The SARB functions in the public interest and is not driven by a profit motive. However, subject to there being sufficient resources to do so, SARB shareholders are paid a dividend of 10 cents per share, an amount which is stipulated in law.

Members of the public who would like to take advantage of this opportunity to purchase shares in the SARB can visit www.resbank.co.za for more [information](#).

Issued by SARB Media Relations

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BACKGROUND

SARB GOVERNANCE STRUCTURE

- a) Shareholders have no say on any policy decisions that the executive management of the SARB, being the Governor and Deputy Governors, takes in implementing the SARB's constitutional mandate.
 - The SARB Act confers original powers on the Governor and Deputy Governors with regard to the management of the SARB and execution of policy.
 - The Governor and Deputy Governors take decisions independently – without fear, favour and/or prejudice. Monetary policy decisions are taken by the Monetary Policy Committee (MPC), which comprises the Governor, the three Deputy Governors, and two other officials of the SARB. The MPC is chaired by the Governor.

- Neither the Board of Directors nor the SARB's shareholders have any say on or influence over policy decisions. The Board of Directors is responsible for the governance of the SARB.

b) Role and rights of shareholders

- Subject to certain exceptions, each shareholder is limited to 1 vote for every 200 shares held, translating to 50 votes for every 10 000 shares held. These votes are normally exercised at the annual ordinary general meeting (AGM) which must be held not later than six months after the end of the SARB's financial year, being the end of March.
- At the AGM, shareholders elect a maximum of seven non-executive directors from a list approved by a panel chaired by the Governor of the SARB.
- Shareholders also discuss the SARB's Annual Report and the auditors' report.
- Shareholders appoint external auditors and approve their remuneration.
- Shareholders can also consider any special business that may have been placed on the agenda of the AGM.

c) The composition of the SARB Board of Directors is determined as follows:

- The President of the Republic of South Africa, after consulting the Minister of Finance and the SARB Board of Directors, appoints the Governor of the SARB (who also chairs the Board) and three Deputy Governors of the SARB (executive directors of the Board). In addition, the President, after consultation with the Minister of Finance, also appoints an additional four non-executive directors of the SARB.
- The remaining seven non-executive directors are elected by the SARB's shareholders following a rigorous pre-qualification process, including an evaluation of the nominees by a panel established in terms of the SARB Act. The SARB Act requires each of the directors of

the SARB to be a fit and proper person, with appropriate skills and experience.

- The mandate and independence of the SARB are entrenched in sections 224 and 225 of the Constitution of the Republic of South Africa. In carrying out its mandate, the SARB does not bow to any pressure, be it political or from the private sector. The SARB accounts to the people of South Africa through Parliament.