



**Notice to Shareholders regarding the Ordinary General Meeting of Shareholders of the South African Reserve Bank, 2010**

As you are aware, an ordinary general meeting of shareholders (“AGM”) of the South African Reserve Bank (“Bank”) needs to be held to conduct certain business prescribed in accordance with the regulations made by the Minister of Finance (“Minister”) in terms of section 36 (“Regulations”) of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989 – “Act”). In terms of regulation 16 of the Regulations the AGM needs to be held once every calendar year at such a place and time as may be determined by the board of the Bank (“Board”), being not more than 6 months after the end of the Bank’s financial year.

As alluded to in the Governor’s letter to you dated 16 March 2010, the Bank currently faces certain challenges which, if not adequately addressed, may adversely affect the sound functioning of the Bank and thereby negatively impact on the national interest of South Africa. For this reason it is regarded of the utmost importance that certain of the provisions of the Act be amended as envisaged in the South African Reserve Bank Amendment Bill, 2010 (“Bill”), as soon as reasonably possible, for purposes of this year’s AGM. The Bill, together with the memorandum on its objects was published in *Government Gazette* No. 33156 of 3 May 2010.

By virtue of the provisions of the Bill and the fact that it still needs to be promulgated into law, it is evident that it is neither feasible nor appropriate to hold the AGM within the prescribed period of 6 months from the Bank’s financial year end. Accordingly, the Minister has, in terms of section 36 of the Act, by the publication of the requisite notice No. 710 in the *Government Gazette* No. 33457 of 13 August 2010, amended the provisions of regulation 16 of the Regulations. The amended regulation now

provides for the Minister, on good cause shown, to determine a date for the AGM later than 6 months after the financial year-end of the Bank.

The Minister has, having due regard for the process involving the proposed legislation, approved that the AGM of the Bank be held on Wednesday 8 December 2010. Shareholders will in due course, in terms of the Act and the Regulations, be given formal notice of the date and time of the meeting.

Given this delay in holding the AGM, it was decided that the *Annual Report* (with the financial statements) of the Bank for the financial year ending 31 March 2010 should be made available prior to the AGM. Therefore, these documents will be forwarded to you by 30 September 2010.

I trust that you appreciate the need for the postponement of the AGM, and count on your understanding and support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JJ Rossouw', is written over a horizontal line.

**JJ Rossouw Acting Secretary of the Bank**