

Regularisation of Shareholding in the South African Reserve Bank (“SARB” or “Bank”)

The South African Reserve Bank Act, 1989 (Act No.90 of 1989 – “Act”) was on 13 September 2010 amended by the South African Reserve Bank Amendment Act, 2010 (Act No. 4 of 2010). As a result, section 22(1)(a) of the Act henceforth determined that no shareholder was authorised to hold, or hold in aggregate with his, her or its associates, more than 10 000 shares in the Bank (“Affected Shareholder”), unless such shareholder had within 40 days after 13 September 2010 (subject to an exception), in a prescribed manner, disclosed to the Bank the names of all his, her or its associates, as well as the number of shares held by each of them. At the time, the state of affairs was brought to the attention of shareholders of the SARB by means of a notice addressed to them by the Bank, dated 21 September 2010.

Since certain Affected Shareholders failed to provide the required disclosure and yet continued to hold their shares, the Bank was obliged to intervene in order to address the ostensible irregular shareholding. In March 2014 the SARB addressed letters to Affected Shareholders calling on them to either voluntarily dispose of their shares held in contravention of the Act, or to face the possibility of being compelled by means of a court order to dispose of such shares at a price per share and subject to such terms and conditions as the court may determine. Despite the letter, some of the Affected Shareholders persisted in holding their SARB shares in ostensible contravention of the Act. Accordingly, the Bank, with effect from 12 December 2014, instituted court proceedings against the Affected Shareholders in question with the intention of addressing the matter as envisaged. The court procedure is currently in progress. A copy of the notice of motion appears hereunder.