

125  
"FAS"

Legal Services Department

File ref no: 10/S, Duerr M, 16673 ✓

7 March 2014 ✓

Mr M Duerr  
Huberspitzweg 2  
83727 Schliersee ✓  
GERMANY ✓

Dear Mr Duerr ✓

**Requirements of Section 22 of the South African Reserve Bank Act, 90 of 1989** ✓

1. This letter relates to your shareholding in the South African Reserve Bank (Bank) and requires your urgent attention. Your failure to address the issues raised in this letter may result in legal proceedings being instituted against you in order to give effect to the requirements of section 22 of the South African Reserve Bank Act, 90 of 1989 ("Act"). ✓
2. Your attention is drawn to the requirements of section 22(1)(a) of the Act which provides as follows: ✓

**"22. Restriction of right to hold or acquire shares in Bank: ✓**

- (1) Subject to the provisions of subsection (2): ✓

(a) no shareholder shall hold, or hold in aggregate with his, her or its associates, more than 10 000 shares in the Bank, and ✓

3. An "associate" is defined in the Act as follows: ✓

"associate", in relation to a shareholder: ✓

(a) if the shareholder is a natural person, means: ✓

(i) a close relative of the shareholder; or ✓

(ii) any person who has entered into an agreement or arrangement with the shareholder, relating to the acquisition, holding or disposal of, or the exercising of voting rights in respect of, shares of the Bank; ✓

(b) if the shareholder is a juristic person— ✓

(i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary; ✓

(ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act; ✓

(iii) which is not a company or a close corporation as contemplated in this paragraph, means another juristic person which would have been a subsidiary of the first-mentioned juristic person: ✓

(aa) had such first-mentioned juristic person been a company;

or ✓

(bb) *in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company; ✓*

(iv) *means any person in accordance with whose directions or instructions the board of directors of or, in the case where the juristic person is not a company, the governing body of the juristic person is accustomed to act; and ✓*

(c) *in respect of all shareholders, being either natural or legal persons: ✓*

(i) *means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the shareholder; and ✓*

(ii) *includes any trust controlled or administered by the shareholder;" ✓*

4. In terms of section 22(2) of the Act, an obligation was placed on any shareholder who held, in aggregate with his, her or its associates, more than 10 000 shares in the Bank, at the commencement of the South African Reserve Bank Amendment Act 2010 ("Amendment Act"), to disclose, in the manner prescribed, to the Bank the names of all his, her or its associates, as well as the number of shares held by each of them. ✓

5. After the commencement of the Amendment Act, the Minister of Finance promulgated regulations on 13 September 2010 in terms of section 36 of the Act. Regulation 3 dealt with the disclosure obligation created under section 22(2) of the Act. It provided as follows: ✓

"3.1 A shareholder required in terms of section 22(2) of the Act to make disclosure of associates, shall lodge the required information. ↴

(a) within 40 days of the date on which these Regulations are promulgated, or ↴

(b) if the obligation to disclose arises in respect of any event that takes place after the date of promulgation mentioned in (a), within 40 days of the date of such event. ↴

3.2 Any prospective buyer of shares shall be required to disclose his, her or its associates on application to purchase shares in the manner as may be required by the Bank. ↴

3.3 Information in terms of Regulation 3.1 must be lodged in the format of the Schedule at the end of these Regulations." ↴

6. Section 22(2A) of the Act provides that a shareholder who discloses information as contemplated in subsection (2) may continue to hold, or hold in aggregate with his associates, those shares (even if the shares total more than 10 000), provided that for as long as the shareholding or aggregate shareholding exceeds 10 000 shares, neither the shareholder nor his associates shall acquire any further shares in the Bank. ↴

7. It is only those shareholders who made disclosure as contemplated in subsection 2 who are entitled, in terms of section 22(2A), to continue to hold the shares in excess of 10 000. Subsection (2) contemplates that the disclosure of information about shareholding must have taken place in a manner as may be prescribed. As set out above, the relevant Regulation prescribed that disclosure had to be made within 40 days of 13 September 2010. ↴



8. The Bank has reason to believe that the following shareholders of the Bank qualify as your associates:

Name of other Shareholder	Basis of qualification as Associate	Residence	Number of Shares
Miss J J Duerr	Daughter	Schliersee	10 000
Mrs S M Duerr	Wife	Schliersee	10 000
Mr F M Duerr	Son	Schliersee	10 000
Miss C C Duerr	Daughter	Schliersee	10 000
Mr P D Duerr	Brother	Schliersee	10 000
Mr E A Duerr	Father	Schliersee	10 000
Mrs E L Duerr	Mother	Schliersee	10 000
Mr W M Duerr	Brother	Schliersee	10 000

9. From the records of the Bank, it would appear that neither you nor your associates have made the disclosure required in terms of section 22(2) of the Act, as read with Regulation 3. In addition, it would appear that you, together with your associates, hold in the aggregate more than 10 000 shares in the Bank.
10. Should you dispute what is recorded in paragraphs 8 or 9 above, please indicate by 21 March 2014 why the facts recorded in paragraphs 8 and 9 above are incorrect. If the Bank does not receive written communication from you by 21 March 2014, it will assume that you accept the correctness of the facts recorded in paragraphs 8 and 9.
11. As you have not made the disclosure contemplated by the Act, the provisions of section 22(2A) of the Act do not apply to you or your associates.

12. In the circumstances, you are: /

(a) notified that the shares in the Bank which you and your associates hold, in excess of 10 000, are held in contravention of the requirements of section 22 of the Act; and /

(b) hereby called upon to provide the Bank with an irrevocable written undertaking, by 6 May 2014, in the form attached hereto, that you will dispose of that number of shares in the Bank as may be necessary, so that subsequent to such disposal you, together with your associates, shall not, in the aggregate, hold more than 10 000 shares in the Bank. /

13. Should you provide the written undertaking, within this period and as contemplated in 12 above, then you shall be afforded until 31 March 2015 to dispose of that number of shares in the Bank as may be necessary, so that subsequent to such disposal you, together with your associates, in the aggregate hold no more than 10 000 shares in the Bank. /

14. The Bank will provide you with all reasonable assistance which you may require, in disposing of your shares, so as to ensure compliance with the requirements of the Act. In this regard the Transfer Manager, Mr Bertus Brand at telephone number (012) 313 3061 or electronically at [OTCSTF@resbank.co.za](mailto:OTCSTF@resbank.co.za) will be available to address any queries you may have and to provide you with the reasonable assistance you may require in disposing of your shares. We remind you that shares may be sold using the Bank's Over-The-Counter Share Transfer Facility and the rules applicable thereto are available on the Bank's website. /

15. Should you fail or refuse to provide the undertaking contemplated in 12 above, the Bank shall launch legal proceedings against you in terms of section 22 of the Act for an appropriate order to redress the matter. This order may include, but not be limited to, an order for the disposal of shares in the Bank at a price per share and subject to such terms, conditions and restrictions as the court may determine. This is the remedy prescribed in section 22(1)(b) of the Act. /

- 16. Furthermore, in the event that you provide the written undertaking but fail to dispose of your excess shares before 31 March 2015, the Bank will similarly launch legal proceedings against you in terms of section 22 of the Act for an appropriate order to redress the matter, including an order for the disposal of the shares. ↗

Yours faithfully



**A Jooste**  
**Transfer Secretary**

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J

DATE: .....

The Transfer Secretary  
South African Reserve Bank  
Legal Services Department  
P O Box 427  
PRETORIA  
0001

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**Commitment and Undertaking to Dispose of South African Reserve Bank  
("SARB" or "Bank") Shares** 1

I refer to your letter dated 7 March 2014, with reference 10/S, Duerr M, 16673. 1

I have taken note of the contents of that letter and confirm my understanding of its contents and implications. I hereby irrevocably and unconditionally undertake, subject to the conditions reflected hereunder, to dispose of, or to ensure the disposal of part of or all of the South African Reserve Bank shares which I hold, so that subsequent to such disposal I, together with my associates, shall not, in the aggregate, hold more than 10 000 shares in the Bank. 1

Conditions: 1

- (1) The disposal of the above-mentioned shares shall be in a manner by means of which the rights, titles and interest in the said shares are lawfully transferred to another person, or persons, not being an associate of mine. 1

(2) The disposal of the shares as contemplated in this document, shall be completed by no later than 31 March 2015. /

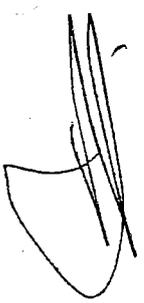
Signed at ..... on this ..... day of .....2014. /

\_\_\_\_\_  
**Mr M Duerr** /

(Who by signing this document warrants that he/she is authorised to do so.) /

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Witness**



134

**Bertus Brand**

"FA6"

**From:** Morne de Klerk <mmmbgroup@law.co.za>  
**Sent:** 31 March 2014 01:39 PM  
**To:** OTCSTF  
**Subject:** 10/S, Barit S, 16760

Dear Sir

Re the correspondence 7<sup>th</sup> of March 2014, and my conversation with yourself. Further re paragraph 14 of the correspondence in question which directs correspondence to your email.

May I draw your attention, specifically and only, at this stage to the following: At all stages, prior to the purchase by S Barit of the shares in the South African Reserve Bank, during the course of the transaction and subsequently, it was well known that Shimon Barit is my son. Further, your documentation clearly reveals the position.

Kind Regards

Lawrence Barit



This email is free from viruses and malware because avast! Antivirus protection is active.

*Handwritten notes:*  
2014-276  
BB  
25 April 14  
10/S, Barit S, 16760

*Handwritten initials:* J. M.

135  
"FA7"

Legal Services Department

2014-517

File no: 10/S, Barit L, 16746 /

2014-04-25 A

Dr L Barit  
P O Box 11376  
DIE TREMLOODS  
0126 X

Dear Dr Barit X

Requirements of Section 22 of the South African Reserve Bank Act 90 of 1989  
("SARB Act") A

Your e-mail message of 31 March 2014, the contents of which have been noted,  
refers. X

The implementation on 13 September 2010 of the South African Reserve Bank  
Amendment Act 2010 (Act no 4 of 2010) ("Amendment Act") was duly announced in  
the press and in the Government Gazette, as well as in a specific notice to all  
shareholders of the South African Reserve Bank, dated 21 September 2010. X

Such notice invited shareholders, *inter alia*, to disclose to the Bank the names of all  
their associates as well as the number of shares held by each of them. The notice  
further stated the prevalent legal position, namely, that shareholders who disclosed  
their associates, within the required time of forty (40) days of the date on which the  
Regulations relating to the South African Reserve Bank ("the Regulations") were  
promulgated (also on 13 September 2010), could continue to hold, or hold in /

J.M

aggregate with their associates, those shares in respect of which such disclosure had been made. Y

As explained in our letter of 7 March 2014, you have not made such disclosure as required in terms of section 22(2) of the SARB Act. Consequently, you are subject to the relevant consequences as prescribed in section 22 of the SARB Act, without this Office having any discretion or powers to exempt anyone therefrom. While your submission in the matter is respected, it should be noted that the Amendment Act constitutes an Act promulgated by Parliament which cannot be reversed or reconsidered by the Bank. Y

In view of the above you are again called upon to adhere to the requirements of section 22 of the SARB Act as explained in our letter of 7 March 2014 and to furnish the Bank with an irrevocable written undertaking, by 6 May 2014, that you will dispose of that number of shares in the Bank as may be necessary, so that subsequent to such disposal you, together with your associate, shall not, in the aggregate hold more than 10 000 shares in the Bank. X

Your assistance in this regard will be much appreciated. Y



Dr J J de Jager  
General Counsel

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J.

[\*\*original e-mail\*\*]

134  
"FAB"

Sehr geehrte Zentralbankpräsidentin,

ich erhielt heute Ihr Einschreiben.

Durch den scheinbar offiziellen Charakter muß ich das an mich adressierte Schreiben erst einem öffentlich bestellten und vereidigten Gerichtssachverständigen zur detailgetreuen Übersetzung aus dem Englischen ins Deutsche weiterleiten, um es dann in entsprechender Form beantworten zu können.

Vielen Dank für Ihre einvernehmliche Zustimmung.

Mit freundlichen Grüßen

Michael Dürr

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[\*\*translation\*\*]

Dear President [Governor] of the Reserve Bank [Central Bank]

I received your communication today.

In view of its apparently official character [nature], I am obliged to first pass the communication addressed to me on to a formally appointed and sworn-in legal expert for a precise translation from English into German in order to respond to you in an appropriate form.

Thank you for your kind understanding.

With kind regards

Michael Dürr

g. M

**Bertus Brand**

**From:** George Joubert <georgej@webafrica.org.za>  
**Sent:** 20 March 2014 03:28 PM  
**To:** OTCSTF  
**Subject:** Shareholding in the Bank

Dear Mr Brand,  
I refer to your letter of 7 March 2014.  
I have held 10 000 shares in the bank for more than 20 years and I also bought 9200 for my wife at approximately the same time.  
I was a Stockbroker for 31 years and I dealt in many shares of the Bank during my career. When you shares were still listed, it was a rule that any individual shareholder may not hold more than 10 000 shares. At that time, families could hold more than 10 000 shares provided that individual members could not hold more than 10 000 each.  
I am indeed surprised that you are now forcing me or my wife to sell shares so that the two of us combined cannot hold more than 10 000 shares.  
Surely in our case it would be preferable to state that when it comes to voting, families could only vote in respect of 10 000 shares per family.  
I tried to phone you this afternoon to discuss the matter but I only received your voicemail.

Please contact me preferably by telephone so that we can discuss the matter.  
I would also like to know what the current market price of the shares is.  
I look forward to hearing from you.  
Yours sincerely,  
George Joubert.

**George Joubert**  
PO Box 202  
Plettenberg Bay, 6600  
044 533 4449  
083 251 7937, 082 670 7296

SALES	
LEGAL SERVICES	
Date Recd:	2014-3-47
Date:	20 MAR 2014
NOTE:	BB
REPLY:	
FILE:	

138  
"FA9"



137  
"FAO"



South African Reserve Bank

**Legal Services Department**

File no: 10/S,Joubert G R,16439

2014-04-24

Mr George Joubert  
P O Box 202

PLETTENBERG BAY  
6600

Dear Sir

**Requirements of Section 22 of the South African Reserve Bank Act 90 of 1989  
("SARB Act")**

Your e-mail message of 20 March 2014, the contents of which have been noted, refers.

The implementation on 13 September 2010 of the South African Reserve Bank Amendment Act 2010 (Act no 4 of 2010) ("Amendment Act") was duly announced in the press and in the Government Gazette, as well as in a specific notice to all shareholders of the South African Reserve Bank, dated 21 September 2010.

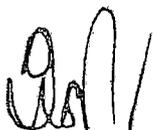
Such notice invited shareholders, *inter alia*, to disclose to the Bank the names of all their associates as well as the number of shares held by each of them. The notice further stated the prevalent legal position, namely, that shareholders who disclosed their associates, within the required time of forty (40) days of the date on which the Regulations relating to the South African Reserve Bank ("the Regulations") were promulgated (also on 13 September 2010), could continue to hold, or hold in aggregate with their associates, those shares in respect of which such disclosure had been made.

Handwritten initials: M and J.

As explained in our letter of 7 March 2014, you have not made such disclosure as required in terms of section 22(2) of the SARB Act. Consequently, you are subject to the relevant consequences as prescribed in section 22 of the SARB Act, without this Office having any discretion or powers to exempt anyone therefrom. While your submission in the matter is respected, it should be noted that the Amendment Act constitutes an Act promulgated by Parliament which cannot be reversed or reconsidered by the Bank.

In view of the above you are again called upon to adhere to the requirements of section 22 of the SARB Act as explained in our letter of 7 March 2014 and to furnish the Bank with an irrevocable written undertaking, by 6 May 2014, that you will dispose of that number of shares in the Bank as may be necessary, so that subsequent to such disposal you, together with your associate, shall not, in the aggregate hold more than 10 000 shares in the Bank.

Your assistance in this regard will be much appreciated.



**Dr J J de Jager**  
**General Counsel**

J. M.

141  
"FA11"

**Bertus Brand**

**From:** Hennie Meyer <hennie-meyer@telkomsa.net>  
**Sent:** 22 April 2014 06:29 PM  
**To:** Bertus Brand  
**Subject:** S.A.R.B. WYSIGINGS WET 2010 -S.A.R.B. AANDELE

Geagte Mnr.Brand  
Ons telefoniese gesprek van 17 April 2014 verwys.Weereens dankie vir u vriendelikheid en hulpvaardigheid soos gewoonlik.

Die aankoopdatums van die aandele is as volg :  
10/S 16601 H.Meyer 10.000 aandele - 2002  
10/S 16606 G.M.Meyer 10.000 " - 2002  
10/S 16614 H.Meyer Familie Trust 10.000 " - 2003

Die Assosiasie van hierdie drie aandeelhouders is aan u bekend sedert aankope en word ook so aangedui in u rekords. Gevolglik het ons nagelaat om die nodige verklaringsvorme in te dien .Ons aanvaar nou dat ons destyds gefouteer het en bied groot verskoning aan.

In Tyd gelede het iemand ons gekontak en aangebied om al die aandele te koop teen R40-00 per aandeel. Ons het egter die aanbod van die hand gewys aangesien ons langtermyn beleggers is en ook graag ons aandeelhouding van S.A.R.B. aandele wil behou.

Hiermee versoek ons dus vriendelik dat ons ingevolge seksie 22 (2A) van die Wet toegelaat word om ons huidige aandeelhouding te behou. Ons neem kennis van die beperkings en stemreg.

U goedgeunstige oorweging en goedkeuring van ons versoek sal hoog waardeer word.

By voorbaat dankie  
Vriendelike groete

Hennie Meyer

*[Handwritten signature]*  
2014-345

BB  
25 April '14  
10/S, Meyer H, 16601  
10/S, Meyer G M, 16606  
10/S, H. Meyer Family Trust, 16614

*[Handwritten signature]*

142  
"FA12"

Legal Services Department /

2014-516

File no: 10/S, Meyer H, 16601 /  
10/S, Meyer G M, 16606 /  
10/S, H Meyer Family Trust, 16614 /

2014-04-25

Mr H Meyer  
P O Box 32032  
SUMERSTRAND  
6019

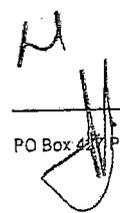
Dear Mr Meyer

Requirements of Section 22 of the South African Reserve Bank Act 90 of 1989  
("SARB Act")

Your e-mail message of 22 April 2014, the contents of which have been noted, refers.

The implementation on 13 September 2010 of the South African Reserve Bank Amendment Act 2010 (Act no 4 of 2010) ("Amendment Act") was duly announced in the press and in the Government Gazette, as well as in a specific notice to all shareholders of the South African Reserve Bank, dated 21 September 2010.

Such notice invited shareholders, *inter alia*, to disclose to the Bank the names of all their associates as well as the number of shares held by each of them. The notice further stated the prevalent legal position, namely, that shareholders who disclosed their associates, within the required time of forty (40) days of the date on which the Regulations relating to the South African Reserve Bank ("the Regulations") were promulgated (also on 13 September 2010), could continue to hold, or hold in /

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aggregate with their associates, those shares in respect of which such disclosure had been made. A

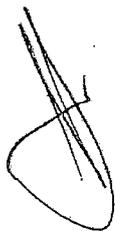
As explained in our letter of 7 March 2014, you have not made such disclosure as required in terms of section 22(2) of the SARB Act. Consequently, you are subject to the relevant consequences as prescribed in section 22 of the SARB Act, without this Office having any discretion or powers to exempt anyone therefrom. While your submission in the matter is respected, it should be noted that the Amendment Act constitutes an Act promulgated by Parliament which cannot be reversed or reconsidered by the Bank. A

In view of the above you are again called upon to adhere to the requirements of section 22 of the SARB Act as explained in our letter of 7 March 2014 and to furnish the Bank with an irrevocable written undertaking, by 6 May 2014, that you will dispose of that number of shares in the Bank as may be necessary, so that subsequent to such disposal you, together with your associates, shall not, in the aggregate hold more than 10 000 shares in the Bank. A

Your assistance in this regard will be much appreciated. A



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Dr J J de Jager  
General Counsel



144  
"FA13"

Sehr geehrte Zentralbankpräsidentin,

in Anbetracht Ihrer letzten fünf Jahre als "Governor" mit fünf Verlustjahren und Ihrem offenbar baldigen Ausscheiden im November darf ich diese Zeilen an Sie richten.

Es war sicherlich nicht immer leicht für Sie, konstruktive und berechtigte Kritik an Ihrer fehlenden Qualifikation für die Stelle hinzunehmen (Sie haben den "fit and proper" Test ja selbst nie bestanden). Jetzt haben Sie auch schon ihre fehlenden akademischen Titel mit Ehrenwürden nachgeholt. Respekt.

Auch die Art und Weise, wie Sie die südafrikanische Zentralbank und den südafrikanischen Staat über Ihren 5-Jahresvertrag ausbeuteten, ist beachtlich: Zusammen haben Sie nicht nur das seit 1921 mit dem Eigenkapital in Form unserer SARB-Aktien angesammelte Eigenkapital nahezu halbiert, Sie haben auch noch das Finanzministerium um ZAR 2,242 Mrd. gebracht. Dies sind die Rückzahlungen des Staates an die Bank in den Geschäftsjahren 2009/10 bis 2013/14.

Sie haben es scheinbar bis heute nicht verkraftet, dass ich kurz nach Ihrem damaligen Amtsantritt im November 2009 am 1. Dezember bei Präsident Zuma in "Mahlamba Ndlopfu" war und die Situation der Zentralbank als Aktionär und Miteigentümer im Detail besprach. Meine Geldreform "Just Money" haben Sie ja auch damals nicht verstanden. Nachdem aber nun selbst der IWF seit geraumer Zeit Papers darüber schreibt, scheint es nach Jahren im Mainstream langsam anzukommen.

Ich habe natürlich auch noch meine Rechnung mit Ihnen offen. Diese Schmierenkampagne in der Presse über meine Person hängt Ihnen weiter nach. Das Ergebnis war meine Intervention mit der politischen Lawine (durch die angestrengte Mediation mit den Aussen- und Wirtschaftsministern im März 2010 unter dem deutsch / südafrikanischen Investitionsschutzabkommen). Die Krisenkabinettsitzung von Goldhahn Ende April 2010 deswegen führte ja dann zu dem gegen mich angestregten SARB Amendment Act No. 4 of 2010. Die Klagen und Einsprüche für eine zukünftige juristische Weiterverfolgung sind ja eindeutig dokumentiert.

So will ich in diesem Zusammenhang auch nochmals das explizite Wissen Ihrer Person, der Rechtsabteilung, des General Counsel Dr. de Jager, des Share Transfer Dep. hinweisen, dass der Bank zu jeder Zeit über die Aktienverhältnisse der "Sippe" Dürr Bescheid wußte.

In diesem Zusammenhang wird auch nochmals darauf hingewiesen, dass die von zwei Familienmitgliedern der "Sippe" Brouckaert rechtmässig erworbenen SARB Aktienblöcke unrechtmässig von der Bank entzogen wurden und nachweislich von Ihrem Vorgänger auf Freunde der Bank verteilt wurden (alles bei Ihrem General Counsel und noseweek aktenkundig).

Auch ist seit meinem ersten Treffen mit Herrn Mboweni und der späteren Delegation der Zentralbank auf meiner Farm in Pearly Beach alles aktenkundig.

Zudem wurde Ihrem Dr. de Jager auch 2010 persönlich eine Ausstellung der "Sippe" Dürr ausgehändigt und gerne werden wir darauf in einem Gerichtsverfahren explizit dazu Stellung nehmen.

J. M.

Nur noch einmal zu Ihrer Auffrischung und zu dem Hinweis, dass wir als "Sippe" Dürr immer alle gesetzlichen Erfordernisse eingehalten haben: Michael Dürr (ich), Sophia Dürr (Frau), Josephine Dürr (Tochter), Leonard Dürr (Sohn - hier wollen Sie bitte endlich die Aktien von Massyn umschrieben, auch dieser Vorgang ist aktenkundig), Carolin Dürr (Tochter), Frederic Dürr (Sohn), Peter Dürr (Bruder), Werner Dürr (Bruder), Elfriede Dürr (Mutter) und Ernst Dürr (Vater).

Ich denke, dies reicht für alle Zeit aus, dass Sie sich beruhigen.

Zudem wissen Sie selbst, dass die "Sippe", vertreten durch Ihre einzelnen Mitglieder und auch Vollmachten, die Aktien seit Jahr und Tag auf Ihrer leider nachweislich manipulierten Plattform OTCSTF zum Verkauf stellt. Es ist aber kein geregelter und selbst ungeregelter Markt, da in Südafrika nur die JSE die einzig offiziell zugelassene Börse mit Marktpreisen ist. Hier habe ich ja auch mehrmals versucht, Sie und auch davor Ihren Vorgänger davon zu überzeugen, dass dies der richtige Weg wäre unsere Differenzen auszuräumen. Der freie Markt würde einen freien Marktpreis finden, was auf der manipulierten OTCSTF nicht machbar ist.

Noch zum Thema "Sippe": Es ist möglicherweise ganz hilfreich für Sie, die Legaldefinition oder auch eine Erklärung dazu anzusehen: <http://de.wikipedia.org/wiki/Sippe>

Da gibt es natürlich auch noch die englische Version zu "kin liability": <http://en.wikipedia.org/wiki/Sippenhaft>

Übrigens ist dies nicht mehr existent, auch wenn Sie es Südafrika mit dem Thema "associate" versuchten. Bei Ihrem ethnologischen Hintergrund ist dies ein wenig fraglich für mich, dass Sie dies im 21. Jahrhundert probieren wollen.

Kurzum: unsere Aktien bekommen Sie sicher nicht, wir sind die Eigentümer und freuen uns auf unsere Altersversorgung aus diesem Investment in "ordinary shares". Sie können sich auf den Kopf stellen, aber das jüngste Beispiel der Neubewertung der auch zu 100% privat gehaltenen Banca d'Italia von € 156' auf € 7,5 Mrd. ist mit den in diesen Zusammenhang erstellten legal opinions der ECB, der Bundesbank und anderer NZBs wird ein Problem für jeden Juristen und / oder Richter.

Sie kennen ja meine Kontaktdetails, da braucht Werkmans in Ihrem Auftrag keine Untersuchung an Dienstleister weitergeben. Sollten Sie an einer von unserer Seite immer gewünschten friedlichen Lösung ernsthaftes Interesse zeigen, gerne.

Dies würde Ihrem baldigen Abgang sicherlich guttun, dass Sie das Problem mit dem 10%-igen ausländischen Aktienbesitz auch vielleicht sinnvoll lösen konnten.

Mit freundlichen Grüßen

Michael Dürr

P.S. Nur mein Sohn Leonard (7 Jahre) und Tochter Josephine (10 Jahre) sind abhängig. Jeder andere ist volljährig, voll geschäftsfähig und hat keine Beschränkungen im Eigentumsbesitz und der Verfügung darüber. Eine Sippenhaft gibt es nicht mehr. Vielen Dank.

M  
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146  
"FA14"

Honourable Governor of the Reserve Bank,

in view of your last five years as "Governor" and in view of the last five years recording losses and your retirement in November which is obviously early I take the liberty of addressing these lines to you.

It was certainly not always easy for you to accept constructive and justified criticism with regard to your lack of qualification for the position (you yourself never passed the "fit and proper" test). Now you even succeeded in making up for your lack of academic title by obtaining honourable awards. Respect.

The manner in which you exploited the South African Reserve Bank and the South African state during the period of your 5-year contract is remarkable: not only did you virtually halve the equity capital that was accumulated since 1921 in the form of our SARB shares, you also cost the Department of Finance ZAR 2,242 billion. These are the re-payments of the state to the bank during the 2009/2010 to 2013/2014 financial years.

Obviously you have so far not managed to deal with me as a shareholder and co-owner discussing the situation of the Reserve Bank in great detail with President Zuma on 1 December in Mahlamba Ndlopfu shortly after you had taken office in November 2009. You also did not understand my money reform "Just Money" at the time. Now that the IMF has written papers about this for some time you seem to realise its merits after years of mainstreaming.

Of course I personally also still have a score to settle with you. I haven't forgotten the smear campaign that you launched against my person in the press. The result was my intervention with the political avalanche (through the attempted mediation with the Ministers of Foreign Affairs and Economics in March 2010 under the German/South African investment protection agreement). The crisis cabinet meeting of Goldhahn at the end of April 2010 then led to the SARB Amendment Act No. 4 of 2010 that was directed against me. The actions and objections for future legal prosecution have been clearly documented.

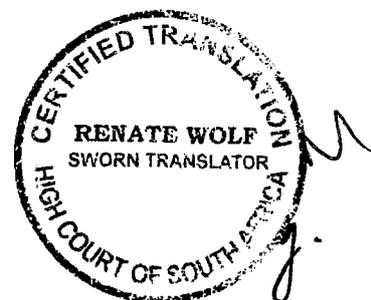
In this regard I want to point out again that you had explicit knowledge, that the legal division, that General Counsel Dr de Jager, that the Share Transfer Department and that the bank were at all times aware of the share relations of the Dürr "clan".

In this regard it is also pointed out that the SARB share blocks that were acquired legally by the Brouckaert "clan" were illegally withdrawn by the bank and were proven to have been distributed to friends of the bank by your predecessor (all of this is on file with your General Counsel and with Noseweek).

Since my first meeting with Mr Mboweni and the subsequent delegation of the Reserve Bank on my farm in Pearly Beach everything is on record.

In addition your Dr de Jager was personally handed a delivery<sup>1</sup> of the Dürr "clan" in 2010 and we will gladly take our stand on this explicitly in a court case.

<sup>1</sup> The German term "Ausstellung" used in this sentence is unusual and its meaning unclear.



147

I would like to point out the following once again to refresh your memory and to underline that we as the Dürr "clan" always complied with all legal requirements: Michael Dürr (I), Sophia Dürr (wife), Josephine Dürr (daughter), Leonard Dürr (son – here you should please changed<sup>2</sup> the shares from Massyn, this process is also on record), Carolin Dürr (daughter), Frederic Dürr (son), Peter Dürr (brother), Werner Dürr (brother), Elfriede Dürr (mother) and Ernst Dürr (father).

I think that this should be sufficient to calm you down once and for all.

In addition you yourself know that the "clan", as represented by its individual members and also through powers of attorneys, has always offered the shares on your OTCSTF platform that has unfortunately been proven to have been manipulated. However, it is no regulated market, it is actually an unregulated market, because in South Africa the JSE is the only officially admitted stock exchange with market prices. Here I repeatedly tried to convince you and your predecessor that this would be the right way of resolving our differences. The free market would find a free market price which was obviously not possible on the manipulated OTCSTF.

On the topic of "clan" ("Sippe" in German): it might be helpful for you to have a look at the legal definition or an explanation: <http://de.wikipedia.org/wiki/Sippe>

Of course there is also the English version of "kin liability":  
<http://en.wikipedia.org/wiki/Sippenhaft>

Incidentally, this no longer exists although you tried this via the topic of "associates". In view of your ethnological background it seems somewhat questionable to me that you wanted to try this in the 21. Century.

To summarise: you will most certainly not get our shares, we are the owners and we look forward to the retirement benefits from this investment in "ordinary shares". No matter what you say, but the latest example of a re-evaluation of the Banca d'Italia that is also 100% privately owned from € 156' to € 7,5 billion is with the legal opinions compiled in this regard by the ECB, the German Federal Bank and other national central banks a problem for every lawyer and/or judge.

You have my contact details, so Werkmans will not have to instruct a service provider to conduct investigations. Should you be sincerely interested in a peaceful solution as we are always keen to pursue, please feel free.

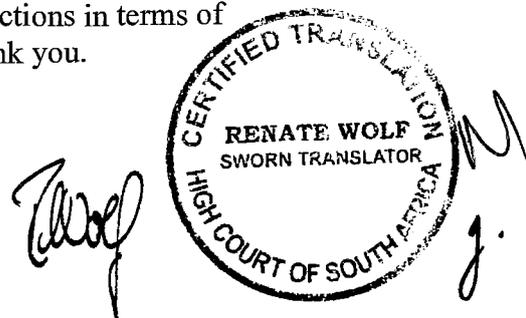
It would surely do your imminent retirement good if you had found a sensible solution for the problem of the 10% foreign share ownership.

Kind regards,  
Michael Dürr

P.S. Only my son Leonard (7 years) and my daughter Josephine (10 years) are dependants. All others are of age, of full legal capacity and fall under no restrictions in terms of ownership and control thereof. Kin liability no longer exists. Thank you.

---

<sup>2</sup> The tense of the German verb seems to be incorrect.



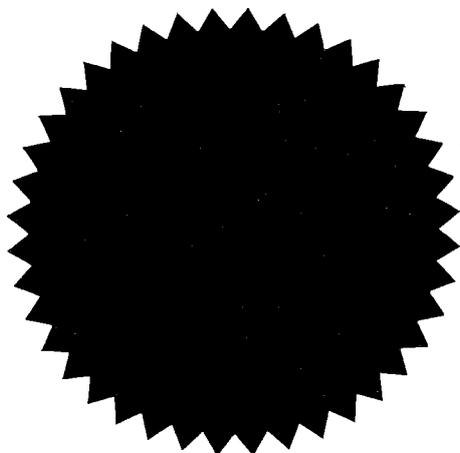
148  
"FAIS"

Being a Professional Sworn Translator of  
Wolf Design, Photography, Translation and Interpreting,  
P.O. Box 72422,  
0040 Lynnwood Ridge,  
Tel. ++27 12 361 5097

I, **Renate Wolf**, hereby declare that

- I am admitted as a Sworn Translator by the High Court of South Africa for the German, English, French and Afrikaans languages and am an accredited member of the South African Translators' Institute;
- I translated the following document to the best of my knowledge and belief from German into English: letter by Mr Dürr to the Governor of the Reserve Bank; and
- I firmly believe that the translated document annexed hereto and signed and embossed by myself accurately reflects the contents of the document mentioned above of which a copy shall be attached hereto.

Signed at Pretoria, this 4<sup>th</sup> day of August 2014.



\_\_\_\_\_  
Renate Wolf (MA Translation)

M  
J.

DIARISE: .....

14-9  
"FAIB"

2007-02-21

Our reference: OTCSTF B72/T47

Mr M Duerr  
P O Box 1290  
GANS BAY  
7220

Déar Mr Duerr

South African Reserve Bank Shares ("SARB shares"): Buy form dated 30 January 2007 in respect of 10 000 SARB shares in the name of Mr Werner Markus Duerr

I refer to the above-mentioned buy form and advise that your offer to buy 10 000 SARB shares on behalf of Mr W M Duerr at a maximum price of R2-01 per share, was partially successful. As a result of the limited number of SARB shares which were offered for sale, only 300 SARB shares could be awarded to Mr W M Duerr.

It shall be appreciated if you will in terms of section 5.1.3. of the Over-the-Counter Share Transfer Facility ("OTCSTF") rules, furnish the Bank by no later than 6 March 2007, being the "Settlement Date", with a bank cheque or bankers draft for the amount of R604-50. This amount represents the purchase price due in terms of the sale, together with stamp duty of R1-50 payable in terms of the Stamp Duties Act of 1968 (Act 77 of 1968). Alternatively, you may also electronically transfer the aforementioned amount of R604-50 to our account, account number 8060 121 9 at the South African Reserve Bank Pretoria, branch code 900-145. In the event of an electronic transfer, the Bank must be furnished with confirmation of such transfer.

In this regard I advise that upon the successful completion of the purchase transaction in accordance with section 5 of the OTCSTF rules the share certificate for 300 SARB shares will be mailed to yourself by prepaid registered mail.

In conclusion, I refer to your letter of 11 December 2006 and our reply thereto of 15 January 2007 and advise that after due consideration it was decided that, for the

completion of our records, we need to obtain from you, "Powers of Attorney" in respect of shares purchased by yourself and your wife on behalf of other family members other than your own three children, should they be minors. These "Powers of Attorney" will therefor be in respect of Mr E A and Mrs E L Duerr, Mrs G G Broukaert as well as Messrs W M and P Duerr.

In this regard I enclose an example "Power of Attorney" for your use. Kindly return the duly completed "Powers of Attorney" in respect of each of the above-mentioned persons to the Bank at your earliest convenience.

Your assistance in this regard will be appreciated.

Yours sincerely



Mr A Jooste  
Transfer Secretary

H:\Contract\wpdata\Cynthia\Shares\OTCSTF\Duerr M/LB

M. J.

POWER OF ATTORNEY IN RESPECT OF THE PURCHASE OR SALE  
OF SOUTH AFRICAN RESERVE BANK SHARES

TO:

The Transfer Secretary  
Over the Counter Share Transfer Facility  
South African Reserve Bank Shares  
Legal Services Department  
South African Reserve Bank  
PRETORIA  
0001

I, the undersigned:

.....  
Full Names and Surname

.....  
Identity or Passport Number

Residential Address: .....

(hereinafter referred to as the Principal) hereby confirm that I (delete where applicable) –

intend acquiring and holding, as true owner and beneficial shareholder thereof, South African Reserve Bank shares ("SARB Shares") in terms of and in accordance with the provisions of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989 – "Act"), the Regulations made in terms of the Act ("Regulations"), as well as the Rules relating to the Over-the-Counter Share Transfer Facility ("OTCSTF Rules") in respect of Shares of the South African Reserve Bank; or

as the true owner and beneficial shareholder of SARB Shares, wish to sell such shares;

Therefore, I do hereby nominate, constitute and appoint:

.....  
Full Names and Surname

.....  
Identity or Passport Number

M  
J.

Residential Address: .....  
.....  
.....  
.....  
.....

to be my agent and/or representative for managing and transacting any business relating to such trade in SARB Shares in the Republic of South Africa, with full power and authority from me and in my name and for my account and benefit, in accordance with the provisions of the Act, the Regulations and the OTCSTF Rules, to make application in my name for SARB Shares, to buy or sell such shares and to sign the necessary transfer and documents to pass title thereto as effectually as I might be required to do, or could do if personally present.

THUS DONE and EXECUTED at .....on the .....day of .....20.....

.....  
SIGNATURE OF PRINCIPAL

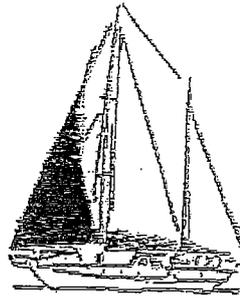
in the presence of the undersigned witnesses.

WITNESSES:

- 1. ....
- 2. ....

*Handwritten signature*

"FA17"



Box 1290

James & Kay

92207

**YACHT FREE SPIRIT**

Michael & Sophia Duerr

info@mduerr.com

Dear Mr. Gordon,

Pearly Beach, 19.03.2007

sorry to bother you with our unusual request.

As yourself, we are shareholders of the South African Reserve Bank. We would like to buy more SARB shares for our expanding family and as the OTC trading is very thin, we would like to approach you directly for a possible sale of all or some of your 10,000 SARB shares.

We would suggest a premium payment of around 25% on the current (last) price of R 2.01 per share. This would amount to R 25,000.00 for all of your SARB shares.

Would you consider selling during the course of the year (e.g. after dividend payment)?

Attached is a tear-off slip to repost in the prepaid envelope.

Alternatively you can reach us under e-mail: [rael@3817.com](mailto:rael@3817.com) or cell: 072 062 8520.

Thank you very much for your time. We are looking forward to hopefully arranging a deal.

Yours sincerely

Sophia Duerr

M  
J.

From: Tiyani Mongwe  
To: Johann De Jager  
Date: 2008-01-17 08:21  
Subject: Re: Fwd: your reference 016673

"FA18"

Morning Dr de Jager,

Your legal advice is hereby sought.

>>> "Michael Duerr" <dm3877@gmail.com> 2008-01-17 12:08 AM >>>

Dear Mr. Mongwe,

we are putting forward a motion to call an extraordinary general meeting of the shareholders of the SARB within the next weeks. There are already around 300,000 shares behind the plan, getting more by the day. Please clarify for us the details from your side not described in regulation 17 of the regsection 36 for conducting an extraordinary general meeting to avoid unnecessary formalities and glitches for the first 2008 EGM:

Extraordinary general meetings of the shareholders of the Bank shall be held to conduct any business in respect of which the shareholders have the power under the Act, and shall be convened by the secretary of the Board within 60 days of a written request to that effect by shareholders with such shareholding in the Bank as shall represent not less than 10 per centum of the total voting rights in respect of all the shares in the Bank; provided, however, that the above-mentioned written request shall contain sufficient information to enable the secretary to give proper notice of each such extraordinary general meeting in terms of the provisions of these Regulations.

Do you have any prescribed format or should we just submit the demand with the share certificate numbers supporting the call? Do you have a format for the written request and the sufficient information or should we just go ahead with our ideas? You may understand that this is the next case in our steep learning curve and hopefully we find an amicable approach to sort out the formalities quickly.

Yours SARBly

Michael Duerr  
m@3877.com

CC: Arrie Jooste; Hendrik VanGass; Mhitlhiemang Masibi-Malotle

M  
g

From: Noseweek System <accounts@noseweek.co.za>  
To: <bertus.brand@resbank.co.za>  
Date: 2008-02-27 10:13  
Subject: Noseweek article # 1657

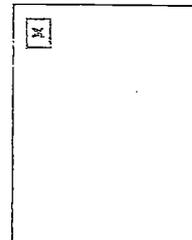
"FA19"



Dear Egbertus Brand,

Thank you very much for purchasing article #1657 from *noseweek*.

You will, in all likelihood, receive two emails, both a text and an html version. Whilst the html version should be a much better read, and has pictures, some internet and mail software have problems with this format. We have had cases of non-delivery. It may also take a bit more time before the html formatted version arrives.



Transaction reference is : 0129/736604APPROVED /8700

Your credit card has been debited by 30.00 (ZAR).

*Enjoy the read !*

Please contact me at [accounts@noseweek.co.za](mailto:accounts@noseweek.co.za) if you have any queries or comments.

Best regards

Mr Nose.

[www.noseweek.co.za](http://www.noseweek.co.za)

## How to buy the Reserve Bank

Is the South African Reserve Bank, that worthy marble-clad institution which exists to preserve the rand from ruin, in fact run by a bunch of goons?

Or is there another reason why top management has felt it necessary to obstruct, lie to, insult and cheat one of its biggest single shareholders, on the one hand, and offer him a directorship on the other?

The shareholder in question is German-born financial consultant Michael Duerr, who began buying the bank's thinly traded stock a couple of years ago. Duerr, who made his fortune in the corporate world before retiring at the tender age of 35, reckoned that the shares were being sold at one thousandth of their potential value, and would be a worthwhile addition to the family portfolio.



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By March last year, the Duerr family had, between them, managed to accumulate 90 000 shares, just over 4% of the public offering of two million.

This appears to have alarmed the bank so much that they sent a heavyweight delegation to the Duerr estate outside Hermanus to suss out the family's intentions.

The Merc that rolled up to the farm Kleine Perle at Easter 2007 carried the bank's general counsel, advocate Johan de Jager SC, and transaction manager Arrie Jooste. Lurking in the back seat was one Stephen Goodson, a Reserve Bank director and one-time parliamentary candidate for the Abolition of Income Tax and Usury Party. Goodson is one of seven directors elected by the private shareholders. Mbeki himself appointed the other seven, including Governor Tito Mboweni.

The encounter at Kleine Perle did little to ease the Reserve bankers' apparent anxiety.

Their host, barefoot and dressed in shorts and T-shirt, guided his visitors to his favourite spot behind the house, where there is a dramatic view of the ocean. "That's why you are here," he told them. "I bought this farm because I needed a place to think. And now you guys want to build a nuclear power plant right next to me? Not if I can prevent it!"

The neighbouring farm is Groot Hagelkraal, one of the sites being considered for a new pressurised water reactor or PWR – just like Koeberg, only much bigger.

Duerr, whose Eskom-free farm is powered by solar panels and two wind turbines, is a member of the Bantamklip Anti Nuclear Group, BANG. He makes no bones about his dislike of nuclear energy or his reasons: "It doesn't make sense, financially speaking."

According to Duerr, South Africa's proposed nuclear power programme, with its associated infrastructure, will cost at least five times the budgeted amount of R100bn and could plunge the country into a debt crisis. "We'll never be able to service the debt, and the electricity generated will cost many times what we are paying now," he says.

He reckons the family's shareholding might come in handy "as a bargaining tool" in resisting such moves. Perhaps unwisely, he assured De Jager, Jooste and Goodson that he was absolutely prepared to use his shares to resist such developments.

Jooste was silent, Goodson was sweating in his expensive suit, and De Jager talked: Would Duerr be interested in becoming a director of the Reserve Bank? he asked out of the blue. "We'd rather offer you one post now than you taking four later."

As already mentioned, directors are either elected by shareholders or appointed by the President. They're not supposed to be chosen by employees of the bank in return for favours (such as not rocking the nuclear boat). Duerr declined the offer.

A few weeks after this visit, the Duerrs managed to acquire more shares. But when the men at the Reserve Bank discovered this, they set out to stop the family increasing their holding – by hook and, mostly, by crook.



Michael Duerr and son Leonard, both of whom own shares in the Reserve Bank

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For some months, the family had had a standing offer to purchase 20 000 shares at R2.60 apiece, registered on the Reserve Bank website, as is standard practice. At the time this was the highest offer in terms of both volume and price.

The offer was registered by Michael's wife Sophia in the names of her mother and sister. The bank matched part of the offer to buy with 16 500 shares offered for sale by Thebe Securities. On 31 May 2007, the transactions were duly registered on the website as numbers T51 and T52.

Although names are kept confidential, the Duerrs could easily identify their transactions as there had been no other "buy-offers" of similar size at the same price.

The outstanding offer for 3 500 shares was still unmatched and remained in the public domain. Until Monday, 4 June, just around lunchtime, when both Duerr transactions suddenly disappeared, along with their remaining buy-offer.

When Duerr phoned Jooste for an explanation, he was told that the bank, regrettably, had "overlooked another offer". Since the other offer had been one cent per share higher, the Duerr transactions, sadly, had to be reversed. More unfortunate even, the bank had forgotten to post the better offer on the web, otherwise the Duerrs would have known about it and might have raised their bid.

"I am bewildered," Duerr told Jooste, and demanded to see the transaction register in which the other offer would be recorded. His request was denied. But an entirely different explanation for the cock-up came in a letter from general counsel De Jager. This letter expressed "concern with regard to the concentration of the ... Bank shares in the Duerr family" and in particular "... that the concomitant voting rights [of the Duerrs' 90 000 shares] might be exercised in contravention of the [Reserve Bank] Act." He concluded that "no other party which may be regarded as a family member or associate of the Duerr family shall, until further notice, be allowed to acquire shares in the Bank".

Actually, it's none of their business. While prospective buyers must register with the bank, the bank has no say over who can buy. There is, however, a 10 000 share limit for individual investors, explaining why so many members of the Duerr family bought shares. Otherwise, the bank merely facilitates the trade by matching offers to sell with offers to purchase, then issues share certificates and updates the shareholders' register.

In any case, De Jager contradicts himself by pointing out that Duerr's two brothers and his parents, as non-permanent residents, and his children, as minors, would "not be able to vote at a meeting of shareholders". No problem then, one would have thought. Of the 90 000 shares held by the Duerrs, only 20 000 would count for voting purposes, and they would carry just 100 votes, or one percent. Hardly a major threat.

Arrie Jooste's own (resident) family, by comparison, holds about the same number of shares and he doesn't get any flack about it. Then there's Goodson, who has managed to distribute 60 000 shares among his relatives and himself, giving them a 3% stake in the bank. Was his family barred from purchasing Reserve Bank shares? No they were not.

After almost a year of angry emails and a one-on-one with the bank governor, Tito Mboweni (Duerr: "I showed respect. I wore shoes." Mboweni: "My people tell me that you are a predator."), Duerr finally got to see the shareholders' book. It made for interesting reading.

For one thing, it is clear that there was no single rival bid for the shares purchased by the Duerr family last June. A total of 17 transactions are recorded for the day the Duerrs' shares were "repossessed". This is an extraordinary number compared to the bank's average of 25 transactions a year. So if Jooste's department really had overlooked a better offer, it must have overlooked 17 such offers.

To reconstruct the true events isn't easy. Details of the purchases immediately following the Duerrs' last entry (transaction number T52) are sketchy. After carefully examining the share register, Duerr began to suspect that the next transaction, T53, was used to return the shares to the sellers, Thebe,

before they were resold, probably to a friendly broker or other go-between. About six weeks later, the shares re-appear in small chunks of 500 to 2 000 held by individuals. That these are the very shares previously bought by the Duerr is pretty clear. It was the only occasion on which Reserve Bank shares changed hands at the price of R2.61 (one cent above the family's offer). The last of these transactions was numbered T71, after which, the price changed.

Of the 17 new owners, at least 16 work for – you'd never guess – the Reserve Bank. Five of them list their address as Box 427 Pretoria 0001, the Reserve Bank's postbox.

Employees of the bank's accounts and marketing departments are obviously smarter – they gave private addresses. A few shares went to a risk assessor and even a member of the bank's cycling club is named. Most notably, Zodwa Matsau, secretary of the Monetary Policy Committee which makes all the decisions about the ups and downs of the repo rate, got 1 000 shares. No official share-scheme for employees of the Reserve Bank exists, we are told. Is this perhaps the unofficial employee self-service share scheme?

We shall soon see. It appears that Mr de Jager SC may have to work a little harder for his money (his annual salary is rumoured to be R3m). Duerr's counsel is preparing court papers to force the bank to reveal what it wants to hide. On this occasion, the bank might also have to divulge the whereabouts of other missing shares, like the 10 000 which were sold by Thebe on top of the 16 500 Duerr bought, and which appear to have gone AWOL from the register.

Duerr also wants to know when and by whom it was decided that his family had reached their share ownership limit.

Only a validly constituted general meeting of shareholders could have made such a decision. This should be easy to establish because the bank is legally obliged to keep minutes of every single shareholders' meeting and should have a minute book dating back to its inception in 1921.

So Duerr ordered a set of the "complete, consecutively numbered" minutes of all shareholder meetings of the South African Reserve Bank from inception until today, acquired from the bank's head office at the cost of R24 860, "inclusive of courier charges".

He is now the proud owner of a 30 cm high stack of paper, and it's a mess: sloppy paperwork, required signatures missing, AGM minutes missing. As it turns out, the minute books he actually wanted to see, and in which any decision taken about his family's share ownership would be recorded, are nowhere to be found. "It's so childish," he says.

When pressed as to the whereabouts of these documents, Johan De Jager became a tad tetchy. "It appears somewhat peculiar that you persist [in demanding from us] something which you have been informed does not exist," he writes to Duerr. His reasoning: "In the modern electronic age no handwritten minutes in a minute book format are kept." Which doesn't explain why they aren't even available as a certified computer print-out.

"Who is holding you guys accountable for not even sticking to the minimum requirements of corporate governance?" Duerr demanded in a subsequent email to De Jager.

"They even forgot to attach an invoice," he tells *noseweek*.

A few days after our interview, Duerr received another call from the Governor. "I was sitting here with my baby sleeping on my chest when Mboweni called. He was very rude. He accused me of being a racist. It was very upsetting. I still feel very insulted. It makes me worry for this country that when you point out that things aren't being done the right way, you are suddenly a racist."

Duerr is now lobbying for an Extraordinary General Meeting to clear up all the share and shareholder rights issues. To call for one, he needs 10% of the votes. At the moment, he has more than twice as many, not counting his own shares. *Noseweek* will be following developments with interest.

e It may come as a surprise to many readers that anyone with a bit of spare cash can become a shareholder in our central bank, but it's true. Just visit the website [www.reservebank.co.za](http://www.reservebank.co.za) for details. Currently, the bank is believed to be owned by more than 600 local and foreign companies and individuals.

Shareholders are not entitled to any part of the bank's profits, which came to almost R3bn, before tax, for the 2006/7 financial year. All they can expect is an annual dividend of 10c per share.

In 2004, Stephen Goodson, mentioned above as the back-seat occupant of the official delegation Merc chez Duerr, called for shareholders to be awarded 10% of the bank's profits. The appeal was rejected on the grounds that it would deprive the bank of income and introduce the profit motive which, Mboweni said, is not in the public interest.

#### Tito's 'incorrect' insults

We asked the "delegation" from the Reserve Bank that visited Duerr in Hermanus at Easter last year, for their comment – and got the following in reply from General Counsel De Jager: "Other than to state that this Office has at all times dealt with the matter in accordance with the law and does not agree with all the statements contained in your enquiry, it does not wish to comment any further on the matter. Failure to comment on any of the statements should however not be construed as any admission of the same. It is against the policy of the Bank to deal with matters of the nature in question in this forum."

Translated into English, that means: We don't talk to the press unless it suits us to do so.

We've done nothing that's actually illegal, although we'd rather not talk about it. For the rest, take your chances.

Rather more revealing is Michael Duerr's latest letter to Governor of the Reserve Bank, Tito Mboweni, in which he recounts some of the insults he says the Governor hurled at him during their most recent telephone conversation.

Duerr records that, in the course of the conversation (that lasted 10 minutes and 41 seconds), "you failed in solving the current mess." Instead, Mboweni made matters worse by accusing Duerr of "racist white behaviour" at least a dozen times.

"Your harsh racial accusations are unheard of for me as a German citizen, not being an Afrikaner as you addressed me. You made outrageous racist remarks and gave me no chance to explain myself. You bombarded me with incorrect insults."

Duerr said he had only accused the Reserve Bank of being inefficient, having observed their poor corporate governance performance himself at close quarters. He records that Mboweni had then warned him to "watch out", which he took to be a threat.

Duerr demanded a written reply to his letters as well as an apology for having called him a racist and a liar.

Governor Mboweni's office advised us that there was absolutely no chance that he would himself comment on this or any other conversation. We would have to settle for De Jager's response.

"FA20"

Michael Duerr  
Private Reg. No. 2008-284  
e-mail: m@3877.com

09. September 2008

Office of the Governor  
South African Reserve Bank  
faxed: 012 313 4421

filed  
2/2/2009  
Replied by  
secretariat

LEGAL SERVICES	
Doc No:	2008-284
4 - SEP 2008	
A3	
FILE	

Dear Governor,

kindly note that the group of suggestive SARB shareholders will pursue the nationalisation course from now on.

So far I received no answer from you on my various letters, faxes and e-mails since November last year. This is a sign of poor corporate governance and shareholder neglect.

You are still in breach with your promise about the due diligence information (your fax from September 17th 2007).

In our one-on-one last year you told me: act like a banker, not like a lawyer. How right you are.

You obviously want to get rid of private SARB owners nuisance. Our common goal: nationalisation.

SARB is not a state corporation (what does this mean anyway?), but a private and for profit company.

You are well advised to read about 88 years of SARB history before the forthcoming AGM. We will test you.

The creeping expropriation of the SARB owners, the shareholders comes to an end. The suggestive SARB shareholders will demand their statutory rights and stick to their obligations.

Face reality. Listen to the people: Amandla - Awethu.

Yours SARBly

Michael Duerr  
m@3877.com

Handwritten mark or signature at the bottom right corner.

161  
"FA21"

By Ethel Hazelhurst

Johannesburg - A shareholder who said he and his family had a 3 percent stake in the Reserve Bank threatened yesterday to call an extraordinary general meeting to address his concerns on a number of issues. Michael Duerr said that, with friends, he could muster between 10 percent and 15 percent of the bank's 2 million issued shares.

This came after the bank's annual general meeting (AGM), attended by 23 of the 620 shareholders and chaired by bank governor Tito Mboweni.

The meeting was marred by exchanges between Mboweni and shareholders voicing objections from the floor, among them Duerr, who described himself as "retired".

Reserve Bank officials said a 10 percent shareholding was the regulatory requirement for calling an extraordinary meeting, but they said that as Duerr was "not normally resident" in the country, he was not eligible to vote. Duerr said he resided in both Germany and South Africa, though he did not own property here.

At the meeting, Duerr constantly interrupted Mboweni from the floor. But the bank governor did not allow him to speak and at one point told him to leave if he did not like the way the meeting was run.

Mboweni told another shareholder, who also interjected from the floor, that he did not like the tone of the comment, which he described as "the way whites used to talk to blacks".

Deenadayalen Konar and Zodwa Manase, the commerce or finance representatives who had ended their term of office, were re-elected to the board by shareholders present and those who voted by proxy.

Konar received 32.78 percent of the total votes and Manase 30.55 percent, while Nicholas Lang and Michael Brouckaert each received 18.27 percent.

The industry representative, Noluthando Orleyn, was re-elected with 64.29 percent, while Volkhart Bauer received 35.71 percent.

Duerr said in a written statement handed out after the meeting that he wanted "to bring to shareholders' attention the fact that the agenda... excludes important items of special business which have been proposed". He said the return to shareholders had been reduced in real terms by spiralling inflation. He accused Mboweni of failing to fulfil his fiduciary duty to shareholders.

In response to questions, Duerr, a German national, said he came to South Africa in 1998. He started buying Reserve Bank shares for himself and his family in 2006 and continued last year. He said he had originally invested in the bank to gain credibility, as he was opposing a proposal to establish a nuclear power station on property adjoining his own in Gans Bay in the Western Cape. "Now we have a working anti-nuclear movement," he said.

He then turned his attention to the Reserve Bank. He admitted that he would like to see the central bank nationalised.

An analyst said that in the event of nationalisation, parliament would have to decide how shareholders would be paid out.

The nominal value of the bank's shares is R1 each. But according to the annual report, its capital and reserves are worth R10.9 billion.

Duerr said the possibility of a payout was not his motive.

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### Mboweni clashes with angry shareholders

Reserve Bank annual general meeting turns ugly as Mboweni brings race into the argument.

Julius Cobbe  
18 September 2008 12:11

Reserve Bank Governor Tito Mboweni did little to enamour himself with angry shareholders at Thursday's annual general meeting.

Mboweni refused to allow certain shareholders to speak and even went so far as to suggest that one of them was racist.

As he was attempting to conduct the meeting, Mboweni was frequently interrupted by Michael Deurr, a shareholder who says he owns about 5% of the bank's stock.

Deurr asked if Mboweni would allow comments on certain aspects of the meeting. Mboweni replied that Deurr was "out of order".

Deurr said that the most important aspect of the meeting was to vote for directors. He requested that each nominated director introduce themselves so that shareholders would know who they are voting for.

"I'm running the meeting, not you," replied Mboweni. "If you don't like the way I run the meeting you can leave. And you're not welcome back."

Another shareholder shouted that Mboweni's conduct was "shocking." Mboweni responded that he knows how to conduct a meeting and told the shareholder: "You mustn't speak to me the way white people used to speak to black people."

Deurr's votes were disallowed because the Bank claims he is not resident in South Africa.

Reserve Bank director Len Konar commented on the dispute with shareholders: "There needs to be a kind of decorum in the manner in which one interacts with the Bank. Some of the correspondence that we've had with certain shareholders has been extremely unsatisfactory. It's been unpleasant."

He said that the Bank arranged to meet shareholders, but that these meetings were cancelled by them at short notice. "There are two sides to this story," said Konar.

The Bank is somewhat unusual in that its shares may be traded privately. It is one of only nine central banks worldwide to have private shareholders.

There are 2m shares in issue and one receives one vote for every 200 shares. Shareholders and government are allowed to appoint seven directors each.

It is far from clear how much say the outside shareholders have over affairs of the bank - apart from some say over the appointment of private sector directors.

Were Mboweni's comments appropriate?

Yes

No

> View Results

*J. M.*

163



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SEE ORIGINAL ARTICLE

"FA23"

# Belligerence abounds at Reserve Bank AGM

The attitude of one of the shareholders at the South African Reserve Bank's 88th annual general meeting (AGM) was racist, Tito Mboweni said.

18 Sep 2008 16:36 Staff Reporter

The attitude of one of the shareholders at the South African Reserve Bank's 88th ordinary annual general meeting (AGM) was racist, Reserve Bank Governor Tito Mboweni said on Thursday.

"I shall not permit you to talk to me like whites used to talk to blacks," Mboweni told shareholder Mario Pretorius.

Pretorius twice told Mboweni he wanted to bring a point of order to the meeting, and when he was not acknowledged he said: "Shocking," which prompted the governor's response.

The meeting was characterised by a belligerent mood.

Another shareholder, Michael Duerr, told Mboweni he wanted to bring to shareholders' attention the failure to circulate to shareholders important items of special business proposed and on the agenda.

"The omission is deliberate," Duerr said.

Mboweni found Duerr out of order.

After the meeting, Duerr—who holds 5% of the Reserve Bank's shares—issued a press statement claiming that, since 1920, the influence of shareholders at the bank had been gradually and drastically inhibited.

"The inherent value of their investment has been undermined," he contended.

Duerr said the meeting should have been abandoned to give shareholders proper notice of the special business to be discussed as part of the AGM. That business included a discussion of flagrant contraventions by SARB employees.

It appeared these had not been investigated and that no action had been taken “despite these matters having been brought to the attention of the board”.

164

Duerr—who is a German national—said he would call an extraordinary general meeting as he was not allowed to speak at Thursday’s meeting.

A shareholder must hold 10% of voting shares to call an extraordinary meeting, according to Johann de Jager, legal counsel for the Reserve Bank, who addressed the media at a briefing following the AGM.

He said Duerr wasn’t permitted to vote at the AGM because the Reserve Bank held the view that he was not a permanent resident of the country.—Sapa

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# Mboweni Rebukes South African Reserve Bank Shareholders at AGM

165

"FA24"

By Nasreen Seria

Sept. 18 (Bloomberg) -- A group of shareholders in the South African Reserve Bank said they may call an extraordinary general meeting after Governor Tito Mboweni refused to allow them to speak at today's annual gathering.

The bank refused to add shareholder concerns about the appointment of directors and other matters to the agenda of today's meeting, Michael Duerr, a German national who says he owns about 5 percent of the bank's stock, told reporters in Pretoria today.

The dispute may add to pressure on the bank to change its structure so that investors can't buy shares. In a heated annual general meeting, in which the governor refused to take questions from Duerr, Mboweni rebuked a shareholder who shouted out his dissatisfaction.

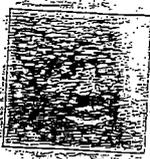
"If you don't like the way I run the meeting, you can leave," Mboweni said. "I know how to conduct a meeting. You mustn't speak to me the way white people used to speak to black people."

A shareholder needs 10 percent of voting shares to call an extraordinary meeting, Johann de Jager, general legal counsel for the Reserve Bank, told reporters. Duerr wasn't allowed to vote at today's AGM because the Reserve Bank thought he wasn't permanently resident in the country, de Jager said.

Duerr said he would be able to call the meeting with the shares he owns and those of other dissatisfied shareholders.

The bank is already reviewing legislation governing its structure, Thandie Orleya, a director of the bank, told reporters at a press briefing after the AGM. It is one of only nine central banks in the world that is privately owned,

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Michael Deurr (SARB shareholder) and Tito Mboweni (SARB Governor)

166  
"FA25"

ALEC HOGG: Michael Deurr joins us now. He is a shareholder of the South African Reserve Bank and the man in the middle of the fracas there. Michael, just to give us a little bit of background, how many shares or what percentage of shareholding do you have in the Reserve Bank?

MICHAEL DEURR (SARB shareholder): Every shareholders is only allowed to have 0.5% but my whole family have shares and we have up to 3% in the family.

ALEC HOGG: That's pretty significant - and what's it worth?

MICHAEL DEURR: Nowadays nothing, but the shareholders have been expropriated over the last eight years, and any bank whose shares are trading at a thousandth of the true value would haul the management of the bank over the coals. The bank, however, seems to think that shareholders ought not to expect a return on their investment, at the same time voting themselves massive salary increases.

ALEC HOGG: Is this what got you upset and, as a result, you asked a few questions today at the annual general meeting?

MICHAEL DEURR: No, the issue is accountability and the strained relationship that exists between the bank and the shareholders. I mean, there are aspects of the way in which the bank is structured which can only give rise to the tensions that should have been resolved, I mean, long ago, ages ago.

ALEC HOGG: Well, the fracas today all started when you asked to be introduced to the directors of the bank - why did you ask that?

MICHAEL DEURR: No, I didn't ask to be introduced. I wasn't up for election.

ALEC HOGG: You asked the directors of the bank to be introduced - sorry.

MICHAEL DEURR: That's right. ... There was an election today. Half of the 14 shareholders [directors] get appointed by the shareholders, and half get appointed by the President, by Mbeki, and the seven shareholders [directors] have a three-year lifespan, and today three shareholders [directors] were up for votes from the shareholders' side. And we placed this year our own candidates, which are really shareholder representatives, not the ones we had over the last decade...

ALEC HOGG: Let's just understand - seven of the directors of the Reserve Bank get voted on by shareholders?

MICHAEL DEURR: That's right. Initially, when they started with the Reserve Bank Act in 1921, the shareholders even had the majority - they had six directors and the state only put five directors in, which was changed later on in the changes of the South African Reserve Bank Act in 1944...

ALEC HOGG: Now, you asked for those directors to be introduced to the shareholders at the annual general meeting. What happened?

MICHAEL DEURR: I was just turned down.

ALEC HOGG: And then somebody stood up and said this was outrageous, and he felt that the Reserve Bank governor, who was presiding over the meeting, should in fact perhaps have allowed you to speak, and to that this is what Tito said: TITO MBOWENI: ... "You mustn't speak to me in that way white people used to speak to black people."

ALEC HOGG: "You mustn't speak to me in that way white people used to speak to black people." Michael, were you surprised to hear the governor of the Reserve Bank using racist terms?

TITO MBOWENI: I mean, not for me. But he called me in February on my cellphone and shouted at me for ten minutes.

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167  
"FA26"

# Der Notenbank- Jäger

Wie der Deutsche Michael Dürr zum einflussreichsten Aktionär von Südafrikas Zentralbank wurde.

Ein normales Auto würde stecken bleiben, deshalb kommt Michael Dürr mit dem Jeep. Auf einem steilen Schotterweg, übersät mit Schlaglöchern, geht es durch Wiesen und Wald hinauf. Nach einem knappen Kilometer taucht zwischen Kiefern ein großes, altes Wohnhaus auf – hoch über dem Schliersee am Rande der oberbayerischen Alpen, weit weg von der Bebauung im Tal.

Dürr, ein stämmiger, breitschulteriger Mann, fängt auch in anderer Hinsicht dort an, wo andere aufhören. Auf diese Weise hat er es zum einflussreichsten Aktionär der südafrikanischen Zentralbank SARB gebracht. Der gebürtige Münchner lebte jahrelang in Südafrika und besaß eine Farm. Dann sollte auf dem Nachbargrundstück ein Atomkraftwerk gebaut werden. Das wollte Dürr nicht dulden, gründete eine Bürgerinitiative – und überlegte, wie er dem Projekt Durchschlagskraft verschaffen könnte. „Ich war ja nicht einmal südafrikanischer Staatsbürger. Da habe ich mir gedacht: Wenn ich Anteile an einem großen Unternehmen habe, wird man eher auf mich hören“, sagt er mit tiefer Stimme und bayerischem Dialekt.

Der Umgang mit Aktien war für ihn etwas Alltägliches: Der studierte Ökonom zahlte im Jahr 1987 zu den Gründungsdirektoren von BÖRSE ONLINE, promovierte anschließend und arbeitete unter anderem als Analyst, Investmentbanker und Spezialist für Investor Relations. So durchforstete der heute 46-jährige den



**MICHAEL DÜRR**  
1969 in München geboren. Der Bayer hat in Südafrika und den USA ein Unternehmen gegründet. Er hat Anteile an der Südafrikanischen Zentralbank SARB und an der Londoner Börse. Inzwischen vertritt er die Interessen von Borsenbesitzern von weltweit 100 Unternehmen.

Foto: Basti Aili für BÖRSE ONLINE

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„Ich habe mir gedacht: Wenn ich Anteile an einem großen südafrikanischen Unternehmen habe, wird man auf mich hören.“

Kurszettel des Landes, um ein geeignetes Investment zu finden. Er stieß auf die erstaunliche Tatsache, dass die Zentralbank zu 100 Prozent in Privatbesitz ist – und begann, sich einzukaufen.

Die Transaktionen mit SARB-Aktien laufen ausschließlich über die Bank selbst, doch der Handel funktionierte reibungslos, zumindest bis vor kurzem. Ein halbes Prozent des Stammkapitals darf ein einzelner Teilhaber maximal besitzen. Dürr umging dies, indem er für Familienmitglieder in deren Namen ebenfalls Aktien bis zu deren persönlichen Limit orderte. Frau, Kinder, Eltern und Schwiegereltern sind inzwischen mit von der Partie.

Als seine Frau schwanger war mit seinem Sohn Leonard, der heute zwei Jahre alt ist, orderte Dürr sogar schon für den Fötus Aktien – was die Zentralbank allerdings nicht akzeptierte. Doch kurz nach der Geburt wurde auch der Bub Teilhaber, wie auch seine fünfjährige Schwester Josephine. Inzwischen liegen rund fünf Prozent der Aktien bei der Familie, schätzt Dürr, weitere fünf Prozent bei persönlichen Freunden, und noch weitere fünf bis zehn Prozent bei Partnern, die sich an das Geschäft angehängt haben.

Allzu teuer war das Geschäft für Dürr nicht. Denn es gibt nur zwei Millionen Aktien, und eine Aktie war anfangs lediglich zwei Rand wert, umgerechnet 15 Euro-Cent. Der Kurs ist zwar in den vergangenen zwei Jahren auf elf Rand gestiegen, doch bedeutet das immer noch eine

Marktkapitalisierung von lediglich knapp zwei Millionen Euro. Weitere Zukäufeversuche seien allerdings schwierig geworden, berichtet Dürr. Kauf- und Verkaufsaufträge werden zwar auf der Homepage der SARB aufgelistet und einmal pro Tag ausgeführt. In den vergangenen Monaten wurde aber eine Reihe von Kaufaufträgen, die eigentlich am Zuge gewesen wären, nicht ausgeführt. Als Hintergrund dieser Taktik vermutet Dürr, dass er dem Management der Zentralbank zu unbehagen geworden sei. Auf BÖRSE ONLINE-Nachfrage lehnte die SARB jegliche Stellungnahme zur Causa Dürr ab.

Er sei noch nie ein pflegeleichter Zeitgenosse gewesen, sagen frühere Bekannte. Ehrlich sei er geradeheraus, und gehe oft mit dem Kopf durch die Wand. Dürr bezeichnet sich selbst als enorm freiheitsliebend. Woran sich das zeigt: „Ich habe ungern Nachbarn, da fühle ich mich eingeschränkt. Deshalb wohnt er weit über dem Ort Schliersee an dem abgelegenen Bau, der im Jahr 1947 errichtet wurde.

So autark wie möglich will Dürr sein, hier oben hat er sogar eine eigene Quelle. Auch in anderer Hinsicht wirkt er unangepasst. Als ob er noch am Kap wohnen würde, verzichtet der leidenschaftliche Segler und Surfer selbst bei winterlichen Temperaturen auf Pullover und Socken – „das ist gesünder so.“

Nach Südafrika kommt er inzwischen nur noch für längere Urlaube. „Unsere Kinder wuchsen dort in einer Welt auf, die

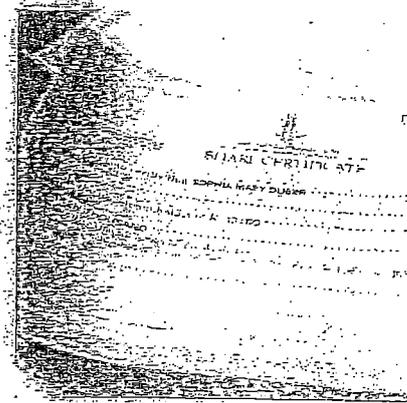
uns nicht mehr gefallen hat“, sagt er bedauernd. Weiße würden diskriminiert, was beispielsweise den Zugang zu Universitäten und dem Staatsdienst angeht. Die Farm ist verkauft, und so hat sich Dürrs Ziel überholt, ein Kernkraftwerk zu verhandeln. Jetzt hat er umgeschaltet und will eine möglichst hohe Rendite aus seinem Investment herausholen.

Über eine Verstaatlichung der Zentralbank würde das nach seiner Ansicht am besten gehen. Denn im Zentralbank-Gesetz steht, dass bei einer solchen Maßnahme 40 Prozent des Werts an die Anteilseigner ausbezahlt werden müsste. Und das wären nach Ansicht Dürrs 4206 Rand pro Aktie, also etwa das Vierhundertfache des jetzigen Kurses. Zu dieser Notierung hat Dürr die Aktien seiner Tochter aus erster Ehe zum Verkauf gestellt – während er ihr gleichzeitig ein Paket von 30,5 Prozent an der SARB zum 18. Geburtstag geschenkt hatte.

Dieser Kurs würde einer Marktkapitalisierung von 660 Millionen Euro entsprechen. Um seine Kalkulation zu untermauern, nennt Dürr einige Zahlen für das abgelaufene Geschäftsjahr, das am 31. März 2008 endete: Die SARB hatte ihre Einnahmen um mehr als ein Drittel auf umgerechnet etwa eine Milliarde Euro gesteigert, der Gewinn vor Steuern wuchs um immerhin knapp ein Viertel auf umgerechnet 280 Millionen Euro. Allein der Wert der Goldreserven von 110 Tonnen, der der Zentralbank zusteht, bemisst sich

PHOTOS: DÜRR; MITT/REIF; BÖRSE ONLINE

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auf ungefähr eine Milliarde Euro. Das entspricht nicht dem Marktpreis, sondern nur einem Teil davon. Denn laut Gesetz steht nach Angaben Dürrs der Zentralbank jener Wert zu, den die Goldreserven im Jahre 1989 hatten. Der Preisanstieg seit diesem Datum komme dem Staat zugute.

Angesichts vielfältiger politischer Widerstände ist es jedoch kaum vorstellbar eine Verständigung zu erreichen. Denn es scheint schon nahezu unmöglich, einfache Aktionärsrechte durchzusetzen. So hatte Notenbank-Gouverneur Tito Mboweni auf der letzten Hauptversammlung der SARB im vergangenen Sommer die Fragen reihenweise abgeburstet. Einem weißen Aktionär, der es allzu genau wissen wollte, warf er sogar Rassismus vor, wie südafrikanische Medien an den Folgetagen in ihrer Wirtschaftsberichterstattung an prominenter Stelle berichteten.

An Kompromissangeboten an Dürr hat es allerdings nicht gefehlt. Der Deutsche berichtet, dass Abgesandte der SARB ihm im Jahr 2007 gefragt hätten, ob er in den Board of Directors aufrücken will – quasi

den Verwaltungsrat der Bank. Dürr lehnte ab. „Damit hätte man mich mundtot gemacht, das wollte ich nicht.“ Nun will er seinerseits den Druck auf die Zentralbank erhöhen und droht, die Aktien aus seinem Einflussbereich an Chinesen oder Inder weiterzureichen. „Da wären viele Investoren bereit, ein paar Millionen zu bezahlen, um einen politischen Hebel in die Hand zu bekommen.“

Ist er ein knallharter Finanzinvestor, der möglichst viel Geld aus einem Investment in ein Dritte-Welt-Land herauszuschlagen will? Dürr, der mit einer Südafrikanerin verheiratet ist, verneint. „Ich mag das Land und seine Bewohner“, sagt der weitgereiste Mann, dessen Haus gefüllt ist mit Erinnerungstücken – Trommeln, Holzmasken, Mobiles, Tiermotive. „Außerdem bin ich ein Idealist.“ Er wolle Südafrika dabei helfen, eine unabhängige Zentralbank zu bekommen.

Noch mehr: Er möchte die Zentralbank als Hebel verwenden, um weltweit die Papierwährung abzuschaffen und eine externe Deckung einzuführen. „Nahelie-

gend wäre Gold“, sagt Dürr – erstens, weil das Edelmetall schon einmal den globalen Standard vorgegeben hätte, zweitens, weil es im Boden Südafrikas reichlich vorkommt. Die weltweite Finanzkrise habe seiner Meinung nach gezeigt, dass Notenbanken und Regierungen die Geldmenge ohne eine solche Anbindung ins Unermessliche aufblähen. Wenn das so weitergeht, werden alle Währungen der Welt implodieren, und es wird ein einziges, umfassendes Zahlungsmittel geschaffen. Doch das wäre der falsche Weg. Wir brauchen stabile lokale Währungen, die auf einer festen Basis stehen.

Seine weltwirtschaftlichen Vorstellungen hat Dürr nicht erst mit der Finanzkrise entwickelt, wie er selbst sagt. In den vergangenen elf Jahren lebte er vorwiegend von seinem Vermögen und hatte genügend Zeit, über monetäre Zusammenhänge nachzudenken. Er spricht davon so begeistert und ausführlich, dass die Zeit wie im Flug vergeht.

Es ist Abend geworden über dem See. Dürr steigt in den Jeep und fährt seine Gäste ins Tal. Unten angekommen, dreht er das Auto um, winkt kurz und fährt zurück. Der Weg vor ihm ist schwierig.

**HARTIN FEIN**  
ist Redakteur bei BÖRSE ONLINE und beschäftigt sich seit langem mit Fragen der Geldpolitik.  
harm@boerse-online.de

# The Central Bank

## Hunter

How the German Michael Dürr became the most influential shareholder of South Africa's Central Bank

A normal car would get stuck, that is why Michael Dürr came with his Jeep. On a steep gravel road, interspersed with potholes we make our way uphill through pastures and forests. After almost a kilometre a large, old residential house appears between the pines - high above Lake Schlier at the edge of the Upper-Bavarian Alps, far removed from the developed areas in the valley below.

Dürr, a sturdy, broad-shouldered man, in other ways, too, gets started where others stop. This is how he managed to become the most influential shareholder of the South African Reserve Bank, SARB. Born in Munich, he lived in South Africa for many years and owned a farm. Then a nuclear power plant was to be erected on the neighbouring property. Dürr did not want to tolerate this, founded a citizens' initiative - and started thinking how he could lend the project more influence. "I wasn't even South African citizen. That is why I thought to myself - if I hold shares in a large company, they will be more likely to listen to me," he says with a deep voice and Bavarian dialect.

Dealing with shares was everyday business to him: he had studied economics and in 1987 was one of the founding editors of BÖRSE ONLINE, then wrote his doctorate and subsequently worked as analyst, investment banker and investor relations specialist.

[Image appears]  
[Insert in picture: Michael Dürr lived in South Africa for many years. The Bavarian ordered many shares from the local central bank for himself and the people around him. So his children, too, hold shares for which they even have share certificates. In the meantime the 46-year-old who has returned to Germany is trying to make a profit from the package.]

*[Handwritten signature]*

*[Handwritten initials]*

[Images appear]

"I thought to myself - if I hold shares in a large company, they will be more likely to listen to me."

So the now 46-year-old started browsing through the list of quotations to find a suitable investment. He stumbled upon the astonishing fact that the central bank was 100 percent privately owned - and he started buying himself into the organisation.

Transactions with SARB shares are effected solely through the bank itself: but the trade went smoothly - that is, until recently. A maximum of half a percent of the share capital may be owned by a single shareholder. Dürr side-stepped this by ordering shares in the name of family members to their personal limit. Wife, children, parents and parents-in-law have in the meantime become part of the deal.

When his wife was pregnant with his son Leonard, who is now two years old, Dürr even ordered shares for the foetus - which the central bank, however, did not accept. But shortly after his birth, the son too became shareholder, as his five-year-old sister Josephine. In the meantime about five percent of the shares are held by the family, Dürr estimates, a further five percent by personal friends, and a further five to ten percent by partners that have joined the business.

The business was not all too expensive for Dürr. There are only two million shares, and one share was initially valued at a mere two rand, approximately 15 euro cents. The rate increased in the past two years to eleven rand, but this still means a market capitalisation of

only two million euros. Further attempts at purchasing more shares, however, became difficult, Dürr reports. Share purchase and sales orders are listed on the homepage of the SARB and are adjusted daily. "But in the past months a number of purchase orders that were actually due, were not carried out." As a reason for this tactic, Dürr suspects that he had become too awkward for the management of the central bank. Upon request by BÖRSE ONLINE to take a position on the Dürr matter, SARB refused to comment.

He has never been an easy contemporary, former acquaintances of his said. He is honest, forthright, and often goes with his head through walls. Dürr describes himself as having an immense desire for freedom. How you can see that? "I don't like neighbours, they make me feel restricted." That is why he lives high above the village of Schliersee in the remote building that was erected in 1947.

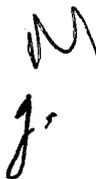
Dürr wants to be as self-sufficient as possible, up here he even has his own spring water. Also in other respects he seems poorly adapted: as if he was still living in the Cape, the passionate sailor and surfer does without a jersey and socks even at wintery temperatures - "it's healthier this way".

He now only comes to South Africa for extensive holidays. "Our children grew up in a world there that we didn't like anymore," he says with regret. Whites were being discrimina-

ted against, for example with regard to access to universities and the government service. The farm has been sold and so Dürr's aim of preventing a nuclear power plant from being erected has long been out-dated. Now he has changed his approach and wants to achieve the maximum possible return on capital from his investment.

In his opinion this would be most easily achieved through nationalisation of the central bank. In the statutes of the central bank it says that in the event of such a measure being taken, 40 percent of the value would have to be paid out to shareholders. And, in Dürr's opinion, this would amount to 4206 rand per share, that is, approximately four-hundred times the current rate. At this price quoted on the stock exchange, Dürr offered the shares of his daughter from his first marriage for sale - while at the same time he gave her a package of 0.5 percent at the SARB for her 18<sup>th</sup> birthday.

This rate would correspond with a market capitalisation of 660 million euros. As a basis for his calculations, Dürr quotes some figures for the financial year that ended on 31 March 2008: the SARB increased its income by more than a third to about one billion euros, converted, the earnings before tax grew by almost a quarter to 280 million euro, converted. The value of gold reserves of 110 tonnes allocated to the central bank alone amounts to about one billion euro. This does not correspond with the market

[Images appear]

price, but only a portion thereof. Because according to the law, Dürr claims that the central bank is entitled to the value that the gold reserves had in the year 1989. The price increase since this date was to the benefit of the state.

In view of manifold political resistances, it can hardly be imagined that nationalisation can be achieved. Because it seems virtually impossible to implement simple shareholders' rights. So at the last general meeting of the SARB last summer, Reserve Bank Governor Tito Mboweni brushed numerous questions aside. A white shareholder who asked for too much detailed information was even accused of racism, as the South African media reported in the subsequent days in prominent sections of their business reports.

Ample offers of compromise were made to Dürr. The German reported that representatives of SARB asked him in 2007 whether he wanted to move up into the Board of Directors - that is, the supervisory board of the bank. Dürr declined. "That would have silenced me, and I didn't want that." Now from his side he wants to increase the pressure on the central bank and threatens to pass on shares under his influence to Chinese or Indians. "There are many

investors who would be prepared to pay a few millions in order to have access to a political lever." Is he an uncompromising financial investor that wants to make as much money as possible from his investments in a third-world country? Dürr, married to a South African, negates. "I like the country and its people," the well-travelled man says, whose house is filled with mementos - drums, wooden masks, mobiles, animal motives. "And on top of that I am an idealist." He wanted to help South Africa to establish an independent central bank.

Even more: he wants to use the central bank as a lever to get rid of paper currency on a global scale and to introduce external cover. "The most obvious would be gold," Dürr says - firstly, because the precious metal has already set the global standard; secondly, because there are ample reserves in the soil of South Africa. The global financial crisis, in his opinion, showed that central banks and governments inflated the money supply immensely if there was no such connection [to real value]. "If it carries on in this way, all currencies of the world will implode and a single, all-encompassing means of payment will be created. But that would be the wrong path. We need stable local currencies

that stand on a solid basis." Dürr did not only develop his perceptions of world economics when the financial crisis was on hand, he says himself. In the past eleven years he lived mainly from his assets and had enough time to think about monetary links. He speaks about this so passionately and extensively that time flies. Dusk has fallen over the lake. Dürr gets into the Jeep and drives his guests into the valley. When he got to the bottom, he turned the car, briefly waved and drove back. The road ahead will not be an easy one.

[Photo appears]

MARTIN REIM is editor at BORSE ONLINE and has long been dealing with monetary policy issues. [mrm@bourse-online.de](mailto:mrm@bourse-online.de)

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(Original with AJ)

Doc No:	2009-189
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67  
173  
"FA28"

Being a Professional Sworn Translator of  
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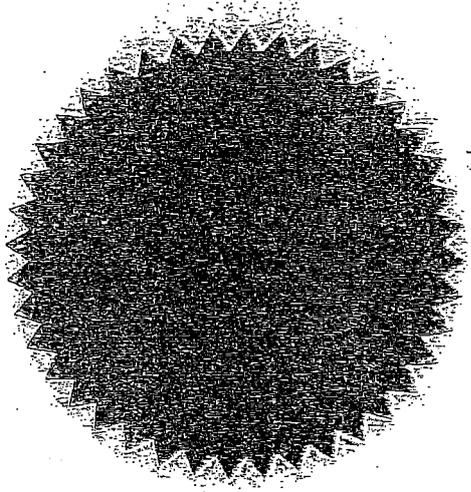
I, Renate Wolf, hereby declare that

- I am admitted as a Sworn Translator by the High Court of South Africa for the German, English, French and Afrikaans languages and am an accredited member of the South African Translators' Institute;
- I translated the following document to the best of my knowledge and belief from German into English: "Der Notenbank-Jäger", being an article of Börse Online 10 | 2009 | 26.02.-05.03., and
- I firmly believe that the translated document annexed hereto and signed and embossed by myself accurately reflects the contents of the document mentioned above of which a copy shall be attached hereto.

Signed at Pretoria, this 10<sup>th</sup> day of March 2009.



Renate Wolf (MA Translation)



J. M.

174  
"FA29"



# Cockfight at the Reserve Bank

Things are turning ugly at the nation's financial hub, where a dissident shareholder is challenging the governor

and he has vowed to fight. "I'm more efficient than they are all together," he declared before moving back to Germany last year, after several years in Hermanus.

Back home, Duerr set out to convince other Reserve Bank shareholders to look into the real value of their shares, and those who now share his ideas appear currently to hold about a fifth of the bank's shares. In March top German investment magazine *Boerse Online* (in addition to its web presence, it has a print circulation of 115,000) took up the story. It reported that Duerr, "an influential shareholder of South Africa's Reserve Bank", might have gathered sufficient support among shareholders to be able to force the nationalisation of the Reserve Bank - that is, force the government to buy out the bank's private shareholders.

Duerr and his legal team make a strong case that in the event at least 40% of the capital value of the bank belongs to the private shareholders. Given that in 1989 the bank was reported to hold 110 tons of gold, Duerr calculates his shares should be worth more than R4200 per share.

Not realistic? Well, since *noseweek* first broke the Duerr story, in March last year, the Reserve Bank's share price has risen by 800%. A bit more, actually. And times are bad. And the truly negligible fixed dividend of just 10 cents per share doesn't help to explain this increase.

that 5% investment, it's odd that Mr Mboweni would treat the Bavarian investor as if he were about to disappear.

But he did. And Duerr talked back. And Mboweni heated up. And shareholders muttered mild objection, leading chairman Mboweni to shout: "If you don't like the way I am conducting this meeting - leave! And don't come back."

"Point of Order, Chairman..." says Duerr. Mboweni: "I do not recognise you!" At which point another shareholder stood up to object, only to have the governor accuse him of talking "like white people used to talk to black people". (*Noseweek's* source claims that when he was chatting to Mboweni later on, he sensed a distinct "impression of Johnny" floating along in the waves of mouthwash.)

Duerr, and others who now share his thinking, are not about to go away, whatever Mr Mboweni and the bank might wish: the September AGM sparked Duerr into switching from co-operation to confrontation,

**L**AST SEPTEMBER'S RESERVE BANK AGM saw a spot of ungentlemanly brawling after shareholder Michael Duerr and some supporters discovered that 17 items they'd put forward for inclusion on the agenda had been disregarded by Governor Mboweni, and tried to turn discussion to those important issues.

Duerr, whose family owns around 5% of the bank's two million shares, has a beef with the way the institution is being run, accusing it, for example, of a lack of proper corporate governance and of not keeping the share register up to date (*noses101&103*.) Given



Reserve Bank governor Tito Mboweni

# The relationship started to sour after Duerr appeared barefoot at the Reserve Bank in Cape Town

By Duerr's calculation, a shareholder holding 10,000 Reserve Bank shares (bought for R20,000) could be worth R42 million. It is easy to imagine Duerr's view gaining considerable shareholder support: the purchase price for most of the long-standing shareholders, at least, was less than R2 per share.

Duerr and Mboweni met alone only once, in mid 2007, when Reserve Bank shares were changing hands at about R1.50. At that stage Mboweni believed that the shares should not be traded on offer and demand: "The correct price is R1.50," he declared. Duerr offered to pay Mboweni R2 per share for his 10,000 shares, plus a premium for the lot. Mboweni declined. Shares now regularly trade at over R20.

At that meeting, Duerr explained to Mboweni that the undervalued, scarce shares, in conjunction with the bank's DIY-sales practice (the bank acts as its own broker and administers the share transactions in-house), could open all sorts of avenues for manipulation. As a solution he proposed that the bank be either nationalised or totally privatised. Both options, he argued, would have advantages, including a major empowerment component – provided the shareholders got at least some of what was theirs.

However, Mboweni didn't fancy Duerr's ideas too much. "You don't really have a choice," Duerr told him back then. Unfortunately, the relationship between the two started to sour after Duerr appeared barefoot at the Reserve Bank in Cape Town to pick up documents. Word of this reached Mboweni, who seems to have been offended by what he appears to have interpreted as an insulting, if not racist, gesture.

Next on Duerr's agenda is a move to force an extraordinary general meeting at which "shareholder issues" will feature strongly on the agenda, among them share price and dividends. Only 5% shareholder support is required for such a meeting, and Duerr and other dissident shareholders already muster more than that. However, after September's "annual shareholder railroading event" it's highly doubtful that a meaningful agenda could be negotiated with the bank's governor.

The Bavarian investor is also on the lookout for Asian investors in pursuit of influence in South Africa, and who might have a few million rands to spare to buy his shares – and those of

his friends.

Mboweni clearly knows that something's up. Last month the bank's general counsel, Johan de Jager, sent identical letters to a number of shareholders with German names or addresses who have been buying Reserve Bank shares (all those suspected of making common cause with Duerr?). De Jager explains that the *Boerse Online* article made it "apparent to the Reserve Bank that Mr Michael Duerr of Schliersee, Germany, and other shareholders [...] may have embarked on a scheme [...] which would constitute a contravention [...] of the [Reserve Bank] Act".

The head of the bank's legal department then demands that recipients of the letter must provide a "written statement [...] attested before a representative of the South African High Commission [that] you are not involved in any scheme [...] referred to in the aforementioned article", and that they do not intend to hold their shares "for and/or on behalf of any other person, including Mr Michael Duerr or other shareholders of the Reserve Bank [...] participating in the scheme referred to in the aforementioned article".

If they do not agree, says de Jager, the "intended offer to purchase a further number of Reserve Bank shares will [...] not be given any legal effect". The bank's legal authority for making this threat is not clear. Quite apart from basing this radical stance on the content of a foreign news publication,

there is nothing in the Reserve Bank Act which would prohibit a shareholder from canvassing the support of others.

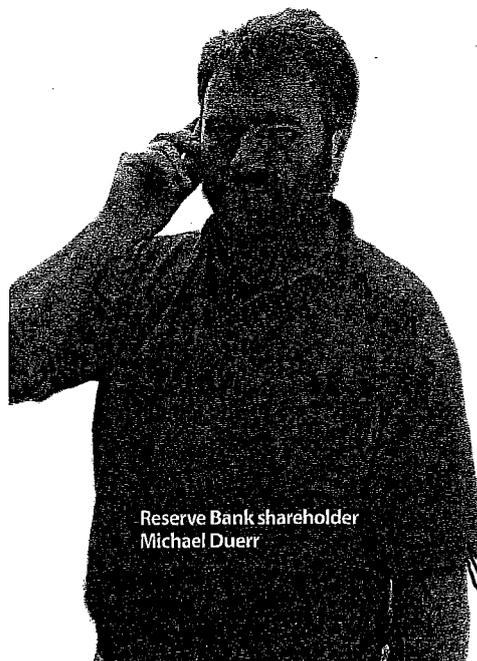
The Reserve Bank's legal chief claims the shareholding in the bank to be "unique" and to be "based on the concept of shared community representation [enabling] participation [of the community] in the management and control of the Bank" – none of which is contained in the Reserve Bank Act. De Jager's services are retained by the bank at an annual cost of about R3m; nevertheless, his letters often have their origin in the law firm Werksmans.

When the Reserve Bank was founded 80-odd years ago, the shareholders provided the initial capital, and were issued shares. The bank was – and is – a business. The current Act even recognises shareholder liability.

Duerr says he and his legal advisors have meticulously analysed the Bank's annual reports and balance sheets over many years – and, he says, Mboweni and De Jager will find many things difficult to explain, including any shortfall in the bank's gold reserves, when they get to court – which he believes, they surely will.

He points out that De Jager's threat, clothed in a fog of piety, is highly questionable. The actual relevance of De Jager's letter in fact lies in its recognition of the seriousness of the issue.

Duerr, ever confident, concludes with a quote from a business 101 manual: "If management does not take care of the business, the business will take care of the management." ▣



Reserve Bank shareholder Michael Duerr

176  
"FASO"

## Arrie Jooste - Blog Posting

**From:** Martin VanDeventer  
**To:** Arrie Jooste; O'Brien, Patricia  
**Date:** 2009-09-18 11:16 AM  
**Subject:** Blog Posting

---

I see some of what Mr Duerr published here is defamatory:

[http://www.dollardaze.org/blog/?post\\_id=00255](http://www.dollardaze.org/blog/?post_id=00255)  
Posted by Michael Duerr on February 19th, 2009:

Dear Mike Hewitt,

thank you very much for this exceptional summary of central banks and their fraud.

I would like to get into discussion with you and other people interested, as I have a very special interest in the central banking theme. To understand them better, I collected over a period of nearly two years shares of the only 100% privately owned central bank in the world, the South African Reserve Bank ([www.reservebank.co.za](http://www.reservebank.co.za)). My family holds now 5% of SARB and is the single biggest shareholder. We got blocked since then as we "have too much influence" (quote from Governor TT Mboweni).

I only can say that out of my own experience that the shareholders are not the real players (although the Bank offered me a seat on the Board), its the stakeholders behind the curtains, BIS in Basle et al.

The other private central banking entities are: Belgium, Greece, Switzerland, Austria, Turkey, Italy and USA. Only the first three are quoted on their respective stock exchanges. Italy and USA are owned by the banks, with Austria and Turkey only by nationals. So it leaves the central bank of South Africa as the only pure play, but even there one gets buggered around.

I tried to lure the South Africans into nationalisation since over one year, this is the only way to an honest money system and as a teaser also the way to unlock the value in this investment.

In 2007, I tried to introduce honest money in South Africa through a special resolution for the AGM, **but the Governor lied to me and betrayed me ever since**. Nobody in the central banking fraternity is interested to rock the boat with such unpopular themes.

Yours SARBly, Michael

*J. M.*

1 of 1 DOCUMENT

Sunday Times (South Africa)

February 14, 2010  
Business Times Edition

## Debate to 'nationalise' Reserve Bank hots up

BYLINE: Rob Rose

SECTION: ECONOMY, BUSINESS &amp; FINANCE

LENGTH: 1110 words

SEE YOU IN COURT: MBOWENI TAKEN TO TASK OVER HATE SPEECH AS INVESTORS' ANGER MOUNTS

Debate to 'nationalise' Reserve Bank hots up

Shareholders want extraordinary general meeting

Attempted 'raid' on bank's vaults angers officials

ROB ROSE

A FACTION of SA Reserve Bank shareholders, apparently representing more than 20% of the bank's shares, are planning to force governor Gill Marcus to hold an extraordinary general meeting in the next few months to "clarify the rights" of shareholders.

The shareholder group, for whom German national Michael Duerr has become an unofficial spokesman, clashed repeatedly with Marcus's predecessor, Tito Mboweni, sparking several dust-ups at the bank's annual shareholder meetings.

One such clash led to Mario Pretorius, chief executive of the JSE-listed TeleMasters Holdings, accusing Mboweni of "hate speech" in the Equality Court on Friday over a 2008 incident when the former governor told him not to "talk to me like the way whites used to talk to blacks".

Duerr says the shareholders are now planning to force Marcus's hand because "we gave the Reserve Bank the opportunity to clarify shareholder rights and duties, but they have chosen not to".

"We will use the provision in the Reserve Bank Act which says shareholders representing 10% of the shares can ask the bank to call an extraordinary general meeting within 60 days." He says he "has the support of between 20% and 25% of shareholders".

Though this matter seems an insignificant tussle among the Reserve Bank's 627 private shareholders, who largely bought their shares in private, over-the-counter deals, Duerr has spoken to several members of the ruling ANC to raise the issue of "nationalising" the Reserve Bank.

Last month, ANC secretary-general Gwede Mantashe presented a report to the party's national executive committee saying nationalisation should be discussed as the "Reserve Bank is one of less than five central banks in private hands in the world".

Quite what "nationalisation" means is unclear, given that the Constitution says the Reserve Bank must remain "independent" from government so it can effectively implement monetary policy.

However, this "debate" is seen by some as an opportunistic gambit by some shareholders to push for the "liquidation" of the Bank, because the Reserve Bank Act says in that case, 60% of the bank's net assets would go to government, and 40% to its shareholders.

Duerr argues that the net assets which "belong to shareholders" exceed R12-billion - but this includes assets which many believe belong to the country, including the four million ounces of gold that sits in the bank's vaults.

If Duerr is correct, this would mean that SA Reserve Bank shares, which can at present be bought for R11 each, would be worth closer to R6000 each.

This is a controversial view. As one Reserve Bank insider told Business Times, "those are not the shareholders' assets, those are the country's assets".

But Duerr argues otherwise, rejecting the notion that he is a greedy opportunist out for personal gain. "By law, these assets belong to the shareholders, not the country. The bank is run as a proper company, and government knows it has a problem here. I've told Mboweni before that the only legal way to get rid of your shareholders is to liquidate the company, but (bank officials) are too arrogant to listen," he said.

Duerr said his motive in getting involved was to get Mboweni to improve the poor levels of governance at the Reserve Bank.

However, what could thwart his argument is that the Reserve Bank Act also says shareholders will only be paid the 40% share of net assets, or the "average market price" of the Reserve Bank shares over the previous year - whichever is lower.

As the "average market price" of the Reserve Bank shares for the last year have been about R11 each, this would torpedo any bid to claim about R6000 a share.

Duerr argues that this provision would not apply. "Here, there is not a proper market for the trading of Reserve Bank shares (which are unlisted and thus traded over the counter) so the 40% net asset provision would still stand."

But Reserve Bank legal counsel Johann de Jager said shareholders "shouldn't be treated like those in an ordinary company, because they're not". "They don't fall under the Companies Act and the Reserve Bank is an independent body which isn't 'owned' by anybody," he said.

Shareholders also cannot decide to liquidate the bank - this can only be done by Parliament - and the negligible 10c/share dividend is also controlled by legislation.

But as this debate hots up, Business Times now understands that in order to get rid of this headache, the Reserve Bank has informally lobbied minister of finance Pravin Gordhan to ask parliamentarians to change the Reserve Bank Act.

This would probably lead to investors being bought out of their shares - ending an era dating back to 1921 during which the bank had "private shareholders".

De Jager would not confirm that the Reserve Bank had asked Gordhan to press the politicians to change the act.

But he said: "If there is something which is in the press and people are speaking about (like nationalisation), it would be foolish of that institution to simply ignore the thing and hope it goes away."

However, De Jager warned that "it's not as easy as just changing an act", as disagreements over how much the shares are worth would make the process of buying out shareholders very tricky.

The rocky relationship between the Bank and its shareholders reached a new low on Friday when Pretorius clashed with Mboweni in court.

The case dates has its roots in the 2008 Reserve Bank AGM, when Duerr raised a point with Mboweni, who dismissed it immediately. Pretorius commented loudly that Mboweni's conduct was "shocking", and advised him how he should have responded. Mboweni replied: "I shall not permit you to talk to me like whites used to talk to blacks."

Pretorius asked the court to declare that Mboweni's conduct was "hate speech" or "unfair discrimination" and order that he pay damages. Pretorius said he brought the case to "clear my name and get the label of 'racist' off me", as it damaged his relationship with his suppliers, which include Eskom and Armscor.

But during cross-examination by Mboweni's advocate, Geoff Budlender, in a sweltering courtroom, Pretorius passed out in the middle of his answer and had to be carried out by paramedics.

Budlender was pushing Pretorius to admit that he "heckled" Mboweni at the 2008 meeting, after "telling him how to run a meeting". Though Pretorius conceded he was rude, his argument is that this doesn't justify Mboweni's response.

He recovered quickly, and will continue testifying on Friday.

**LOAD-DATE:** February 17, 2010

**LANGUAGE:** ENGLISH

**PUBLICATION-TYPE:** Newspaper

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**South African Reserve Bank (SARB) – Targeting Inflation, Targeting a New Reserve Bank**

**My SARB:** The Nobel Prize for Economics in 2007 was awarded to Leonid Hurwicz for his discussion of socialism versus capitalism and the optimal resource allocation therein. His conclusion is that there is a premium on truth and to achieve this, one has to extract honest facts. This is the aim here, about the future of the central bank of South Africa - with its current primary goal to protect the value of the currency in interest of balanced and sustainable growth. SARB is the only central bank in the world 100% owned by private individuals and companies. It has been the gilt-edged stock of South Africa since its inception 1921.

**My Vision:** Inflation Targeting (IT) has to go! Why? The fundamentals show the dilemma of SARB, not living up to its promises year by year. Formal IT has been established with the Budget speech on February 23<sup>rd</sup> 2000 with the inflation-range of 3 to 6%. Another nobel laureate Milton Friedman demonstrated that inflation only may be contained by the money supply. The cash - produced by SARB - or M0 is banknotes and coins in circulation. The following data are calculated within the governance of TT Mboweni, from 1999 to year-end 2008, except otherwise stated. M0 increased 9,29% p.a. in average over the last nine years (median: 9,26%). SARB missed its most narrow money supply target by over 50% continuously. Very disappointing. The total assets/liabilities of SARB increased in average by 25,13% p.a., compared to 23,55% in the aggregated balance sheet of the total banking sector in South Africa. Those balance sheets include the wider money supply in the FIAT money creation system (made paper and electronic money without any backing, solely the trust of the people to accept the legal tender). Disasterous. Interlinked with STATSSA data of the total population in the respective time period (growth of 45 to 49 million), there should be theoretically R1,480 cash per person. Practically only R275 to R390 are at any time on average on hand per person. From 2000 to 2007 the money outstanding increased steadily from 50% with the banks to over 80%. This cash lies within the banking system, creating more money supply and therefore more inflation. One needs to remember: The aggregate banking system in South Africa creates between 9.37 to 10.31 times (median: 9.77) the amount of money created by SARB – due to the fractional banking system with FIAT money. The wolve is herding the sheep here. IT has to go, immediately. Sound money supply growth in line with population growth is a prerogative. Ideally we aim for a new monetary system, possibly based on interest- and debt-free new money issued by the government according to a New Monetary Act, nationalising SARB and eliminating the usury system, having led us to the current global financial crisis.

**Pros:** The independence of SARB after 2009 will go. „There is no question about that.“ Privatised or nationalised? Since 2006 we tried to find a win-win-win situation for the Bank (Governor), State (Treasury) and Owners (Shareholder). We recommended to Mr. Mboweni in our discussions and one-on-one, a proper privatisation with the state taking the 50% majority (as Belgium Central Bank), facilitating a BBEE deal with wide representation and getting the shares back to a full listing on the JSE. This would entail less capital requirement for the state than a nationalisation as the market forces would find the right price. This proper privatisation would find the limelight of international finance and earn credentials with BIS, IMF, World Bank, etc. It could be a successful PR presentation of the South African state and its commitment to capitalism. A new SARB Act or at least a major revamp of the Act and Amendments is necessary. Should socialism prevail, nationalisation is "changing this practice". One should not forget: The Currency and Banking Act of August 10<sup>th</sup> 1920 was also a direct result of abnormal monetary and financial conditions resulting from WWI hence.

**Cons:** The taking of property is legally more challenging today as with UNCTAD, BITs and IIAs a possible expropriation of the SARB shareholders is with "full compensation" by international and tribunal law. This could be a very expensive nationalisation and possibly the Hull doctrine also could be applied for with prompt, adequate and effective compensation. Nevertheless the lower bracket price tag would be the (net) book value, going concern value or discounted cash flow value. Restitutio in integrum will cost a few hundred times the current OTC prices. Follow the money. Working together we can do more.

**My Future:** With the fact that "Fiscal and monetary policy mandates including management of interest rates and exchange rates, need to actively promote creation of decent employment, economic growth ...". we will see a new SARB with developmental goals next to the protection of the value of the currency. A vote for a New Reserve Bank – and/or a new Monetary System – is a vote for a better life for all.

**Conclusion:** Our SARB does need change in the way government understands IT. Numerical IT should not override monetary policy, the precondition for attainment of economic development. The forward looking approach has failed so far. And who will guard the guardian? Who will guide the wisdom of the governor? He himself, the almighty or a New Team Central Bank? Who will fully understand the need for drastic changes, for the immediate future of the SARB and the well-being of the country, its people and economy.

Sen zen! za - we shall overcome -- Listen to the people: Amandla - Awathu.

responsible for the above: Michael Duerr - e-mail: m@3877.com - phone: +49 8026 9296831 - fax: +49 8026 9290277

M  
J.

181  
"FA33"

From:

**MICHAEL DÜRR**

Info@mdurr.com

To:

The Company Secretary of the South African Reserve Bank  
Ms. Sheenagh Reynolds - via e-mail and fax: 0027 12 313 3197 / 4421

Subject:

Congratulations on your new appointment

Dear Company Secretary,  
Dear Ms. Reynolds,

congratulations on your new and prestigious appointment. We, as a family with an aggregate interest of 5% ownership in the SARB, are delighted to see such an experienced person being appointed for this important job, especially in the light of the upcoming implementation of the New Companies Act 2008 with all the possible new challenges for the SARB.

You may have followed and/or been briefed about the problems (alleged missing minutes, incorrect handling of company affairs, etc.) with the former Secretary and Acting Secretary in relation to the shareholder rights, ownership issues, AGMs, OTCSTF handling, etc. I admit that we may be seen in a critical light with the corporate governance issues being raised since years from our side and as a result the changes necessary in the Memorandum of Association with the new SARB Amendment Act No.4 of 2010 and the new Regulations promulgated in September 2010 as the new Articles of Association. The changes in the Memorandum and Articles are proof of the necessary change management we need in respect of the SARB, with you hopefully being an unbiased and critical advisor to the Board of Directors in the future as well as an advocate for the owners, the shareholders with their rights.

We are looking forward for your influence with your corporate governance and Company Act experience. This especially as we see Section 157 of the new Companies Act as interesting and challenging as you do in your published articles.

We are looking forward to a respectful and peaceful cooperation in the time to come.

Yours sincerely,

Michael Dürr - 01. April 2011

Huberspitzweg 2 - 83727 Schliersee - Germany - phone: +49 8026 9290277 - e-mail: m@3877.com

M  
J.

182  
"FA34"

**Arrie Jooste - FW: CIO - Investment proposal: 5 to 10% of the South African Reserve Bank shares**

**From:** "Operations" <Operations@gradient-capital.com>  
**To:** <arrie.jooste@resbank.co.za>, <bertus.brand@resbank.co.za>  
**Date:** 2011-09-29 13:52  
**Subject:** FW: CIO - Investment proposal: 5 to 10% of the South African Reserve Bank shares  
**Attachments:** A Financial Appraisal of the SARB.doc; 31 August 2011.pdf

To whom it may concern

Are you please able to verify for me if the details on shareholding in this email received are in fact accurate

It appears to contradict your holding provision

"that no shareholder shall hold, or hold in aggregate with his, her or its associates, more than 10 000 shares of the total number of 2 000 000 issued shares"

**Gerard O'Connor**  
 Trading & Operations Associate

Gradient Capital Partners LLP  
 52 Cornhill  
 London EC3V 3PD  
 Tel: +44 20 7398 5800

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**From:** dm3877@gmail.com [mailto:dm3877@gmail.com] **On Behalf Of** Michael Duerr  
**Sent:** 27 September 2011 09:52  
**To:** info  
**Subject:** CIO - Investment proposal: 5 to 10% of the South African Reserve Bank shares

Dear CIO,

my family owns 5% of the South African Reserve Bank Ltd., the Central Bank of the Republic of South Africa (the SARB share register is attached as evidence).

We are willing to sell our registered shares outright or in a staggered approach linked to the performance and realization of the entrenched value. We are able to deliver a further 5% of the shares held by friends (identified as foreigners in the share register). Additionally, all other 620 RSA resident shareholders can be addressed through our database. A third party transaction is legal.

What is so unique and possibly interesting to you?

The SARB is the only Central Bank in the world with a 100% free float, all 2,000,000 shares outstanding in the hands of private individuals or companies. The State of South Africa has no ownership. For further details and verification of the above the official website: [www.reservebank.co.za](http://www.reservebank.co.za) or [www.resbank.co.za](http://www.resbank.co.za) contains a great deal of information. It could be a long position in the financial sector, emerging markets, be event-driven and is also suitable for activist fund managers. The intrinsic value is immense and an added advantage is the thinly traded OTC facility, allowing various interesting performance and evaluation possibilities.

What is our proposal?

Since 2006, we have attempted to unlock the real value of these unique shares, which were traded on the main board of the Johannesburg Stock Exchange from SARB's inception in 1921 to its delisting in 2002 and now are traded on an OTC facility by the legal department of the Central Bank. Through various activist actions on our side, and the triggered Amendment Act to the SARB Act in 2010 with a further creeping expropriation, the real value can actually be realized sooner.

What is the value or the prospective value?

For ease of reference we attach a comparison and appraisal of the only privately owned Central Banks in the world, our 5% shareholding in SARB being valued between Euro 5 and 200 million. An interesting and important aspect for the quantum is the current mark-to-market discussion in respect to the valuation of the Banca d'Italia, exposed in the Financial Times on February 28th 2011.

Interested?

We are very happy to deliver whatever information is necessary for your next due diligence steps.

Yours sincerely,

Michael Duerr  
on behalf of myself and my family who own 100,000 shares in the South African Reserve Bank (former Senior Securities Analyst: Goldman, Sachs Ltd; Baring Securities Ltd.; etc)

Attachments:

- A Financial Appraisal of the SARB
- South African Reserve Bank Shareholder Index as at 31 August 2011

Michael Dürr - Huberspitzweg 2 - 83727 Schliersee - Germany - phone: +49 8026 929 6831 - e-mail: [m@3877.com](mailto:m@3877.com)

--  
Michael Dürr  
[m@3877.com](mailto:m@3877.com)

# THE SOUTH AFRICAN RESERVE BANK LIMITED

## AN INITIAL FINANCIAL APPRAISAL

### GENERAL CONSIDERATIONS

It takes into account comparable studies of other Central Banks which continue to be privately owned or partly so. Due account has also been shown for the basis and context upon which other Central Banks such as the Bank of England, France and India saw their ownership transfer from the private to the public sector.

Due regard has also been shown for the impact of Legislation and Regulations as applies to Accounting Policies and Shareholder Rights at the respective Central Banks cited.

There are different valuation possibilities and methods in theory and practice. Most quoted from defending Central Banks is the Dividend Perpetuity Model used by JP Morgan in the first instance in the BIS case, being dismissed due to the final award decision to use the NAV minus 30% discount in the valuation.

The dividend discount models are perfectly sensible in an environment of total shareholder control over the proceedings in a normal company. Due to legislative obligations of Central Banks (Reserve Banks) this is not material in a real world. In the case of the Swiss Central Bank SNB the State got 1,667 times the dividend payment for 2009 and 2010. As for the South African Reserve Bank (SARB), over the last ten years it has averaged a return of 387 times the average dividend payment.

### SPECIFIC MARKET VALUATIONS

The next model is the market value measured in market capitalization of quoted companies. In the case of Central Banks owned or partly owned in the private sector, there are three left trading on their Countries respective stock exchanges.

The Swiss National Bank (SNB) <http://www.snb.ch/>

The Belgium National Bank (BNB) <http://www.bnb.be/pub/home.htm>

The Bank of Greece (B of G) <http://www.nbg.gr/>

Another three have alternative trading platforms.

The Bank of Italy (B of I) <http://www.bancaditalia.it/>

The Bank of Turkey (B of T) <http://www.tcmb.gov.tr/yeni/eng/>

The Bank of Japan (B of J) <http://www.boj.or.jp/en/about/outline/index.htm#p03>

The SNB has a market cap of currently 113 Million SFR for a share capital and equity of 25 Million SFR, as the reserves are immediately being paid out to the state. This gives the SNB a valuation of 4.5 times equity (or NAV in the simplest form). Additionally this has to be seen in the context of the current dividend yield of 1% on the market price of the official Swiss Stock Exchange SIX. The Swiss GDP is just over 520 Billion USD.

In the Belgium model, the BNB is listed on the respective Euronext Stock Exchange in Brussels. The market cap of 1.12 Billion Euros is relatively stable over the years as this stock is due to the 50% shareholding of the state and the Council of Regency involvement more a bond. The shareholders are knee-capped as in the Swiss model with all sorts of restrictions. Nevertheless the market valuation is one to one in terms of the equity position of 1.18 Billion Euros calculated on its share capital and statutory reserves and in the case of Belgium its GDP is just over 465 Billion USD.

The Bank of Greece with its full listing on the Athens Stock Exchange with a current market cap of 460 Million Euros is also restricted by various limitations in law. Looking at the share capital and ordinary reserves, the equity position of 222 Million Euros is half the market valuation. The 2010 account is additionally distorted due to the fact that with the Greek crisis ongoing since years, the balance sheet total has been increased by 60% from 2009 to 2010. The Greek GDP is today just over 300 Billion USD.

The Central Bank of Italy is owned by the Banks in the private sector with the second largest Commercial Bank in Italy known as the Intesa Sanpaolo being the largest shareholder of the B of I. The book value of that shareholding appears in the Shareholder's Balance Sheet at a figure of 532 Million Euros which based on its 30.34% stake would provide the B of I with a current valuation of 1.75 Billion Euros.

The Italian Banking Association is reported to be the driving force behind the revaluation of the current B of I assets on a mark-to-market basis and such gives rise to a revised market cap of 30 Billion Euros for the Italian Central Bank. This mark-to-market valuation adjustment with a multiple of over 17 compared with the current book value. The striking parallels to the SARB are not only in the fact that it is 100% owned by the private shareholders being financial institutions in Italy but also the share capital of only a nominal amount of 156,000 Euros comprising 300,000 shares with a nominal value of Euro 0.52 each.

In the case of the SARB the share capital is the approximate equivalent of 200,000 Euros comprising 2,000,000 shares with a 0.10 Euro face value. The dividend in both cases is 10% of the nominal value. With the mark-to-market valuation suggested by the Banking Association and reported on the 28th February 2011 in the Financial Times, the Bank of Italy would be valued at 1.43 times equity or NAV. The GDP of Italy is just over 2 Trillion USD.

The Central Bank of Turkey is 54.73% owned by the Turkish Treasury the remaining shares being held by seven national banks (25.74%) and the rest by Turkish companies

and persons. There are 250,000 shares with a face value of TL 0,1 each. Its net assets today are 773 Billion Turkish Lira and in profitability and dividend policy terms its latest position is 1.2 Billion TL profits for 2010 with 12% nominal dividends on the face value to ordinary shareholders and 99% being transferred to the Turkish Treasury. The GDP of Turkey is just over 740 Billion USD.

The Central Bank of Japan is majority owned by the Japanese Treasury the balance of its shares being owned by gilt edged Companies operating in the financial community of Japan. The shares are traded on an OTC market regulated by the Bank. Its net assets today are 122 Trillion Yen and in profitability and dividend policy terms its latest position is 367 Billion Yen profits for 2010 with 5% nominal dividends on the face value to ordinary shareholders and 95% being transferred to the Japanese Treasury. The GDP of Japan is nearly 5.5 Trillion USD.

#### VALUATION IN THE CONTEXT OF NATIONALIZATION

Particular attention is now focused upon the most recent nationalization of the Austrian Central Bank in 2010, namely the Oesterreichische Nationalbank (OENB). This started more or less by accident in 2006 when the ailing BAWAG had to hand over its first package of the OENB shares to the State in a deal to bail them out. Further packages changes hands in the following year due the restructuring process in the Austrian banking and insurance landscape, leaving only 30% not being in the hand of the Austrian State by 2010.

The price for the acquired 70.27% was 13.6 times the nominal value of the shares, based on the BAWAG and ÖGB (Austrian Union Organization) squeeze out, which started in May 2006 due to the Euro 900 Million State Guarantee for BAWAG PSK and involving 20% of the outstanding shares. In 2010 the Raiffeisen Zentralbank was with its 8.73% the second biggest shareholder after the State. By the end of 2010, all remaining shareholders (11) were coerced into being taken out and the State became the 100% owner. Similar to the SNB model above, the OENB only had the share capital and no reserves, so that the valuation was 13.6 times equity. The shares never paid dividends.

By Act of Parliament which came into law in 1946 the Bank of England was nationalized with its private shareholders being afforded 20 year redeemable Loan Stock at similar capital values as the market capitalization of the Bank at that time and with an interest coupon of 3% thereon carried forward such as to facilitate a market being made in the Loan Stocks and today the total assets of the Bank of England amount to just under 230 Billion Pounds the British GDP being just under 2.25 Trillion USD.

The Central Bank of France was nationalized by Legislation passed at the end of 1945 which came into force at the beginning of 1946 at which juncture the private shareholders were compensated by the allocation of four 20 year old bonds for each share that they had held the Bonds carrying a 3% interest turn. Its total assets amount to 481 Billion Euros and the French GDP is just over 2.5 Trillion USD.

### A DISCOUNTED VALUATION IN A SQUEEZE OUT

Given the picture of creeping expropriation at the SARB, it is perhaps appropriate to examine most closely this model of compensation. The following website <http://www.pca-cpa.org/upload/files/BIS%20Final%20Award.pdf> provides a useful picture of how the squeeze out of roughly 18% private shareholders of the BIS was viewed by The Hague International Tribunal in 2003.

### PARTICULAR ISSUES APPLICABLE TO THE SARB

Since the delisting from the Johannesburg Stock Exchange (where the Reserve Bank had been the gilt-edged stock since inception in 1921) the SARB shares are manhandled by the legal department of the Bank on an OTC platform, not being a regulated market and not having the same transparency as the fully listed peer group of three Central Banks.

Indeed internal manipulation of the OTC share transaction facility has been recorded since the MD involvement in 2006 on a continuous basis despite issues being raised with the SARB thereon in communications on the record to the Governor and its Legal Department.

The most logic valuation therefore is on a Net Asset Value basis, maybe with some discount, a maximum of 30% as the extreme.

The calculation of NAV is very easy and can be verified by any accountant or auditor. In its simple form it is the equity position, deriving from the share capital and the reserves. The question to be discussed is what reserves are attributable in the context of a Central Bank. On top of this base NAV calculation comes whatever is in hidden reserves on the balance sheet, on the asset and liability side. The hidden reserves in the fixed assets of the SARB, reserves in debentures and other financial instruments have to be added and likewise the hidden reserves in the four 100% subsidiaries.

In terms of concrete figures, the share capital is R2 Million, divided into the 2 Million shares owned by the currently 650 shareholders (see latest shareholder list from July 2011). The accumulated profit is R1.146 Billion and the statutory reserves are R395 Million. Those three positions are the core equity, undeniably the minimum for a NAV calculation. This adds up to R1.541 Billion equity without considering the contingency reserve of R8 Billion which is seen as part of the equity too, this being consistent with how it appears in every Annual Report. The total capital and reserves in 2010 has been R 9.93 Billion (2009: R 11 Billion - see Annual Report 2010/11 page 66).

The core equity would therefore be R 770 per share but based on the audited figure from the Annual Report for 2010/11 it would amount to R 4,970 per share.

Adjustments also should be made due to the fact that the losses of the last two years are questionable in the context of what the SARB Act says about accounting treatment

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relative to contingency reserves. The nearly R 2 Billion of such losses when added back would contribute a further R 1,000 per share. On top of this is the fact that for many years the addition to the statutory reserves has been too low as the SARB Act specifically prescribes that only 90% of the Bank (the parent Company) and not of the Group results are to be distributed to the State. This is evidenced in the Annual Report for 2010/11, reading Pages 69f in line with the SARB Act No. 90 of 1989 the last sentence of Section 24. This would add a further few Hundred Million Rand.

On top of the foregoing comes the hidden reserve in the fixed assets duly audited. The Annual Report for 2010/11 on Pages 85 and 86 describes the insurance value of fixed assets on a future replacement basis, being 5.9 times higher than the book value in the Group and the Bank as the parent company.

Next, the shares of the SARB in BIS have been valued and audited for NAV until 2009/10, only being changed to NAV minus 30% (the price new Central Banks have to pay for new shares in the BIS) in the last business year (see the Annual Report for 2010/11 Page 87). The interesting bit here is that the shares have a long-standing nature, are only transferable with prior consent of the BIS and there is no active market. This contrasts with the SARB shares which are marketable and as such the full NAV as opposed to a discounted NAV formula is more appropriate.

The hidden reserves in the subsidiaries are highlighted in the following examples at the South African Bank Note Company (SABN) and the South African Mint. The SABN is in the books for R 61 Million and has equity of R 753 Million, with further hidden reserves in the fixed assets of this subsidiary. The same applies to a lesser extent at the SA Mint being in the books of the SARB for R 206 Million and having an audited equity position of R 581 Million in the 2010/11 business year.

On top of this come the hidden reserves in financial instruments, being reported in the SARB Annual Reports. There are also contingency reserve accounts for forex and gold and in measuring the same one needs to compare the gold price at the end of August 1989 when such accounts were introduced of 350 USD per ounce applicable to the 4 million ounces of gold on the book of the SARB with current gold prices of around 1,850 USD per ounce.

Over and above the extra valuation factors covered so far herein, recovery claims which the SARB should be pursuing in respect of illegal lifeboat facilities afforded to members of ABSA estimated to be worth around R10 Billion would double the broad equity position.

Applying the BIS NAV formula based on a 30% discount of the core equity valuation only would produce therefore a figure of R 540 per share.

On the other hand taking the NAV in the context of added items commented upon above the individual share price would be R 20,000 plus. Put in Euro terms, the parameters are between 50 Euros and 2,000 Euros per share. The interest of the MICHAEL DUERR

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GROUP in the SARB amounts to 100,000 shares supporting therefore a claim with quantum of between 5 Million Euros and 200 Million Euros. To view the SARB in the context of the RSA GDP that figure is just under 360 Billion USD.

190

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Duerr Sell Offers: Price Ranges - September 2007 to April 2014

Period			Price Range		
Sep-07	to	Dec-07	R 2,140.00	to	R 2,380.00
Jun-08	to	Jun-08	R 3,802.00	to	R 3,802.00
Nov-08	to	Nov-08	R 4,206.00	to	R 4,207.00
Apr-09	to	Apr-09	R 4,203.00	to	R 4,205.00
Dec-09	to	Dec-09	R 4,201.00	to	R 4,202.00
Sep-10	to	Sep-10	R 4,701.00	to	R 4,730.00
Mar-11	to	Mar-11	R 4,701.00	to	R 4,730.00
Sep-11	to	Sep-11	R 20,003.00	to	R 20,004.00
Dec-12	to	Dec-12	R 7,920.00	to	R 7,920.00
Apr-13	to	Apr-13	R 7,901.00	to	R 7,920.00
Aug-13	to	Aug-13	R 7,901.00	to	R 7,912.00
Nov-13	to	Nov-13	R 7,908.00	to	R 7,912.00
Dec-13	to	Dec-13	R 7,901.00	to	R 7,911.00
Apr-14	to	Apr-14	R 7,901.00	to	R 7,911.00

(Withdrawn after two days)

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**Statistics: OTCSTF Live Trade**  
**Period: October 2005 - March 2006**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Oct-2005	1	200	R 1.30	R 260.00
	2	200	R 1.30	R 260.00
	3	1,600	R 1.30	R 2,080.00
	4	5,000	R 1.21	R 6,050.00
	5	3,400	R 1.20	R 4,080.00
	6	1,000	R 1.30	R 1,300.00
	7	9,000	R 1.10	R 9,900.00
	8	800	R 1.30	R 1,040.00
	9	2,800	R 1.21	R 3,388.00
Nov-2005	10	5,000	R 1.25	R 6,250.00
	11	1,008	R 1.30	R 1,310.40
	12	5,000	R 1.30	R 6,500.00
	13	7,200	R 1.21	R 8,712.00
	14	1,000	R 1.20	R 1,200.00
	15	1,800	R 1.11	R 1,998.00
	16	200	R 1.30	R 260.00
	17	500	R 1.11	R 555.00
	18	2,700	R 1.11	R 2,997.00
	19	1,900	R 1.11	R 2,109.00
Dec-2005	20	5,000	R 1.40	R 7,000.00
	21	2,500	R 1.20	R 3,000.00
	22	3,100	R 1.11	R 3,441.00
	23	4,400	R 1.11	R 4,884.00
	24	600	R 1.11	R 666.00
Feb-2006	25	1,000	R 1.25	R 1,250.00
Mar-2006	26	10,000	R 1.40	R 14,000.00
<b>Total:</b>	<b>26</b>	<b>76,908</b>		<b>R 94,490.40</b>

Minimum share price: R 1.10  
 Maximum share price: R 1.40  
 Average price per share traded: R 1.23  
 Average number of shares per deal: 2,958  
 % of issued shares traded: 3.85%

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### Statistics: OTCSTF Live Trade

Period: 1 April 2006 - 31 March 2007

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Jun-2006	27	100	R 1.50	R 150.00
Jul-2006	28	800	R 1.50	R 1,200.00
	29	200	R 1.26	R 252.00
Aug-2006	30	200	R 1.36	R 272.00
	31	500	R 1.36	R 680.00
Sep-2006	32	5,000	R 1.51	R 7,550.00
	33	4,000	R 1.51	R 6,040.00
	34	1,000	R 1.50	R 1,500.00
	35	500	R 1.40	R 700.00
	36	4,500	R 1.36	R 6,120.00
	37	5,500	R 1.36	R 7,480.00
Oct-2006	38	4,500	R 1.35	R 6,075.00
	39	10,000	R 1.52	R 15,200.00
	40	7,500	R 1.60	R 12,000.00
Nov-2006	41	10,000	R 1.65	R 16,500.00
	42	10,000	R 1.70	R 17,000.00
	43	10,000	R 1.70	R 17,000.00
	44	100	R 1.52	R 152.00
	45	2,500	R 1.52	R 3,800.00
	46	7,400	R 1.52	R 11,248.00
Dec-2006				
Jan-2007				
Feb-2007	47	300	R 2.01	R 603.00
Mar-2007	48	9,700	R 2.01	R 19,497.00
	49	300	R 2.00	R 600.00
	50	100	R 2.77	R 277.00
<b>Total:</b>	<b>24</b>	<b>94,700</b>		<b>R 151,896.00</b>

Minimum share price:	R 1.26
Maximum share price:	R 2.77
Average price per share traded:	R 1.60
Average number of shares per deal:	3,946
% of issued shares traded:	4.74%

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Statistics: OTCSTF Live Trade  
 Period: April 2007 - March 2008

193

Month	Transaction No.	No of Shares	Price	Total Purchase Price
May-2007	51	100	R 2.60	R 260.00
	52	500	R 2.61	R 1,305.00
	53	300	R 2.61	R 783.00
	54	500	R 2.61	R 1,305.00
	55	500	R 2.61	R 1,305.00
	56	500	R 2.61	R 1,305.00
	57	1,000	R 2.61	R 2,610.00
	58	1,000	R 2.61	R 2,610.00
	59	500	R 2.61	R 1,305.00
	60	1,000	R 2.61	R 2,610.00
	61	100	R 2.61	R 261.00
	62	500	R 2.61	R 1,305.00
	63	1,000	R 2.61	R 2,610.00
	64	2,000	R 2.61	R 5,220.00
	65	1,000	R 2.61	R 2,610.00
	66	1,000	R 2.61	R 2,610.00
	67	1,000	R 2.61	R 2,610.00
	68	1,000	R 2.61	R 2,610.00
	69	1,000	R 2.61	R 2,610.00
	70	1,000	R 2.61	R 2,610.00
	71	1,000	R 2.61	R 2,610.00
Jun-2007	72	9,700	R 2.80	R 27,160.00
	73	300	R 2.75	R 825.00
	74	66	R 2.80	R 184.80
Jul-2007	75	200	R 2.95	R 590.00
Aug-2007	76	100	R 3.00	R 300.00
	77	1,550	R 2.95	R 4,572.50
	78	250	R 2.95	R 737.50
	79	5,250	R 2.95	R 15,487.50
	80	200	R 2.95	R 590.00
	81	4,550	R 2.95	R 13,422.50
	82	500	R 2.80	R 1,400.00
83	5,450	R 2.80	R 15,260.00	
Sep-2007	84	400	R 2.90	R 1,160.00
Oct-2007		Deal Cancelled		
	86	490	R 3.60	R 1,764.00
	87	500	R 3.60	R 1,800.00
Dec-2007	88	10,000	R 4.50	R 45,000.00
	89	2,500	R 4.20	R 10,500.00
Jan-2008	90	10	R 4.30	R 43.00
	91	9,990	R 4.30	R 42,957.00
	92	10	R 4.30	R 43.00
Mar-2008	93	1,000	R 11.00	R 11,000.00
	42	69,516		R 237,860.80

Minimum share price: R 2.60  
 Maximum share price: R 11.00  
 Average price per share traded: R 3.42  
 Average number of shares per deal: 1,655  
 % of issued shares traded: 3.48%

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**Statistics: OTCSTF Live Trade**  
**Period: April 2008 - March 2009**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2008	94	10	R 20.00	R 200.00
	95	2,000	R 11.00	R 22,000.00
	96	20	R 20.00	R 400.00
	97	500	R 11.00	R 5,500.00
May-2008	98	1,000	R 7.00	R 7,000.00
	99	5	R 7.00	R 35.00
	100	5,000	R 11.00	R 55,000.00
	101	2,490	R 11.00	R 27,390.00
Jun-2008	102	1,000	R 11.00	R 11,000.00
	103	2,705	R 11.00	R 29,755.00
	104	Deal Cancelled		
	105	1,000	R 8.00	R 8,000.00
	106	50	R 7.00	R 350.00
	107	1,000	R 7.00	R 7,000.00
Jul-2008	108	3,950	R 6.00	R 23,700.00
	109	6,610	R 11.00	R 72,710.00
	110	50	R 11.00	R 550.00
Aug-2008	111	515	R 11.00	R 5,665.00
	Nil			
Sep-2008	112	100	R 11.00	R 1,100.00
	113	100	R 11.00	R 1,100.00
	114	20	R 10.00	R 200.00
	115	980	R 10.00	R 9,800.00
	116	3,220	R 10.00	R 32,200.00
	117	780	R 10.00	R 7,800.00
	118	220	R 10.00	R 2,200.00
	119	3,780	R 10.00	R 37,800.00
	120	700	R 11.00	R 7,700.00
	121	320	R 11.00	R 3,520.00
	122	4,200	R 11.00	R 46,200.00
	123	2,500	R 11.00	R 27,500.00
	124	2,980	R 11.00	R 32,780.00
	125	1,000	R 11.00	R 11,000.00
126	1,000	R 11.00	R 11,000.00	
Oct-2008	Nil			
Nov-2008	Nil			
Dec-2008	127	75	R 15.00	R 1,125.00
	128	20	R 11.00	R 220.00
	129	1,000	R 11.00	R 11,000.00
	130	1,490	R 11.00	R 16,390.00
	131	1,490	R 11.00	R 16,390.00
Jan-2009				
Feb-2009	132	4,000	R 10.50	R 42,000.00
Mar-2009	133	100	R 11.50	R 1,150.00
	<b>40</b>	<b>57,980</b>		<b>R 596,430.00</b>

Minimum share price: R 6.00  
Maximum share price: R 20.00  
Average price per share traded: R 10.29  
Average number of shares per deal: 1,450  
% of issued shares traded: 2.90%

**Statistics: OTCSTF Live Trade**  
**Period: April 2009 - March 2010**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2009	134	450	R 10.00	R 4,500.00
	135	500	R 10.00	R 5,000.00
May-2009	136	900	R 10.00	R 9,000.00
	137	9,100	R 10.50	R 95,550.00
	138	900	R 10.50	R 9,450.00
Jun-2009	139	2,550	R 10.50	R 26,775.00
	140	2,000	R 10.50	R 21,000.00
Jul-2009	141	200	R 10.00	R 2,000.00
	142	150	R 10.00	R 1,500.00
	143	850	R 10.50	R 8,925.00
	144	1,000	R 10.00	R 10,000.00
Aug-2009	145	Cancelled		
Sep-2009	146	6,300	R 10.20	R 64,260.00
	147	1,500	R 12.20	R 18,300.00
	148	1,500	R 10.00	R 15,000.00
	149	1,925	R 12.50	R 24,062.50
	150	3,075	R 12.50	R 38,437.50
	151	320	R 12.50	R 4,000.00
	152	25	R 12.50	R 312.50
	Oct-2009	153	6,580	R 12.50
154		3,420	R 12.50	R 42,750.00
155		3,010	R 12.50	R 37,625.00
156		710	R 12.50	R 8,875.00
Nov-2009	157	6,400	R 11.00	R 70,400.00
	158	400	R 11.00	R 4,400.00
	159	2,000	R 12.00	R 24,000.00
	160	2,860	R 11.00	R 31,460.00
	161	10,000	R 12.00	R 120,000.00
	162	100	R 10.00	R 1,000.00
	163	200	R 10.50	R 2,100.00
	164	1,000	R 10.00	R 10,000.00
	165	340	R 11.00	R 3,740.00
	166	120	R 10.50	R 1,260.00
	167	300	R 10.00	R 3,000.00
	168	100	R 10.00	R 1,000.00
Dec-2009	169	7,840	R 12.00	R 94,080.00
	170	Cancelled		
	171	1,960	R 12.00	R 23,520.00
	172	200	R 12.00	R 2,400.00
	173	1,000	R 9.00	R 9,000.00
	174	1,000	R 10.50	R 10,500.00

**Statistics: OTCSTF Live Trade**  
**Period: April 2009 - March 2010**

Month	Transaction No.	No of Shares	Price	Total Purchase Price	
Jan-2010	175	100	R 10.00	R 1,000.00	
	176	900	R 10.00	R 9,000.00	
	177	1,500	R 11.50	R 17,250.00	
	178	100	R 11.00	R 1,100.00	
	179	50	R 12.00	R 600.00	
	180	8,350	R 11.50	R 96,025.00	
	181	1,650	R 11.50	R 18,975.00	
	182	100	R 12.00	R 1,200.00	
	Feb-2010	183	3,040	R 12.00	R 36,480.00
184		6,500	R 12.00	R 78,000.00	
185		460	R 12.00	R 5,520.00	
186		50	R 12.00	R 600.00	
187		1,000	R 12.50	R 12,500.00	
188		200	R 12.50	R 2,500.00	
189		Cancelled			
190		Cancelled			
191		4	R 12.50	R 50.00	
192		500	R 11.50	R 5,750.00	
Mar-2010		193	2,100	R 10.00	R 21,000.00
		194	4,400	R 10.50	R 46,200.00
	195	100	R 1.20	R 120.00	
	196	3,000	R 9.00	R 27,000.00	
	197	200	R 2.00	R 400.00	
	198	3,100	R 10.50	R 32,550.00	
	199	100	R 11.00	R 1,100.00	
	200	100	R 10.00	R 1,000.00	
	201	3,400	R 1.00	R 3,400.00	
	202	400	R 12.00	R 4,800.00	
	203	2,500	R 12.50	R 31,250.00	
	204	1,000	R 14.00	R 14,000.00	
	205	50	R 12.50	R 625.00	
	206	400	R 12.30	R 4,920.00	
	<b>69</b>	<b>128,139</b>		<b>R 1,416,347.50</b>	

**Period: April 2009 - March 2010**

No. of transactions concluded: 69  
 No. of shares traded over period: 128,139  
 Total purchase price paid over period: R 1,416,347.50  
 Minimum share price: R 1.00  
 Maximum share price: R 14.00  
 Average price per share traded: R 11.05  
 Average number of shares per deal: 1,857  
 % of issued shares traded: 6.41%

*M*  
*J.*

**Statistics: OTCSTF Live Trade**  
**Period: April 2010 - March 2011**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2010	207	30	R 12.00	R 360.00
	208	5,000	R 12.00	R 60,000.00
	209	1,370	R 12.00	R 16,440.00
	210	10	R 12.50	R 125.00
	211	1,000	R 12.50	R 12,500.00
	212	4,236	R 12.50	R 52,950.00
	213	600	R 12.50	R 7,500.00
May-2010	214	4,630	R 12.00	R 55,560.00
	215	164	R 12.50	R 2,050.00
	216	5,206	R 12.50	R 65,075.00
	217	4,794	R 12.50	R 59,925.00
	218	206	R 12.00	R 2,472.00
	219	1,600	R 12.50	R 20,000.00
	220	7,500	R 12.50	R 93,750.00
	221	120	R 12.50	R 1,500.00
	222	780	R 12.50	R 9,750.00
Jun-2010	223	200	R 12.00	R 2,400.00
	224	1,220	R 12.50	R 15,250.00
	225	200	R 12.50	R 2,500.00
	226	150	R 12.00	R 1,800.00
	227	8,500	R 12.25	R 104,125.00
	228	20	R 12.50	R 250.00
Jul-2010	229	60	R 12.25	R 735.00
Aug-2010	230	200	R 12.30	R 2,460.00
	231	4,444	R 12.00	R 53,328.00
	232	250	R 12.25	R 3,062.50
	233	140	R 12.25	R 1,715.00
Sep-2010	234	1,166	R 12.10	R 14,108.60
	235	1,000	R 12.25	R 12,250.00
Oct-2010	236	4,000	R 12.10	R 48,400.00
	237	700	R 10.00	R 7,000.00
Nov-2010	238	4,600	R 12.25	R 56,350.00
	239	Cancelled		
	240	Cancelled		
	241	Cancelled		
	242	500	R 12.10	R 6,050.00
	243	200	R 12.10	R 2,420.00
	244	5,000	R 12.50	R 62,500.00
Dec-2010	245	66	R 12.50	R 825.00
	246	750	R 12.10	R 9,075.00
	247	100	R 12.00	R 1,200.00
Jan-2011	248	150	R 12.00	R 1,800.00
	249	400	R 12.25	R 4,900.00
	250	2,100	R 12.10	R 25,410.00
Feb-2011	251	150	R 12.10	R 1,815.00
	252	800	R 12.10	R 9,680.00
	253	Cancelled		
	254	100	R 12.00	R 1,200.00
	255	450	R 12.00	R 5,400.00
Mar-2011	256	50	R 12.00	R 600.00
	257	366	R 12.00	R 4,392.00
	258	20	R 13.00	R 260.00
	259	15	R 11.00	R 165.00
	49	75,313		R 923,383.10

**Period: April 2010 - March 2011**

No. of transactions concluded: 49  
 No. of shares traded over period: 75,313  
 Total purchase price paid over period: R 923,383.10  
 Minimum share price: R 10.00  
 Maximum share price: R 13.00  
 Average price per share traded: R 12.26  
 Average number of shares per deal: 1,537  
 % of issued shares traded: 3.77%

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**Statistics: OTCSTF Live Trade**  
**Period: April 2011 - March 2012**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2011	260	1,300	R 10.00	R 13,000.00
	261	700	R 5.00	R 3,500.00
May-2011	Nil			
Jun-2011	262	485	R 11.00	R 5,335.00
	263	515	R 12.00	R 6,180.00
	264	1,515	R 12.00	R 18,180.00
	265	7,054	R 12.00	R 84,648.00
	266	700	R 12.00	R 8,400.00
	267	485	R 12.50	R 6,062.50
Jul-2011	268	515	R 12.50	R 6,437.50
	269	500	R 12.00	R 6,000.00
	270	1,746	R 12.00	R 20,952.00
	271	85	R 12.50	R 1,062.50
	272	Cancelled		
Aug-2011	273	Cancelled		
	274	300	R 11.00	R 3,300.00
Sep-2011	275	100	R 8.00	R 800.00
	276	400	R 8.00	R 3,200.00
	277	300	R 8.00	R 2,400.00
	278	20	R 5.00	R 100.00
	279	100	R 5.00	R 500.00
	280	25	R 11.00	R 275.00
	281	80	R 5.00	R 400.00
Oct-2011	282	175	R 11.00	R 1,925.00
Nov-2011	Nil			
Dec-2011	283	125	R 12.00	R 1,500.00
Jan-2012	284	Cancelled		
	285	Cancelled		
Feb-2012	286	Cancelled		
	287	1,000	R 10.00	R 10,000.00
	288	1,000	R 13.00	R 13,000.00
	289	Cancelled		
	290	Cancelled		
291	2,050	R 12.00	R 24,600.00	
Mar-2012	Nil			
	<b>25</b>	<b>21,275</b>		<b>R 241,757.50</b>

**Period: April 2011 - March 2012**

No. of transactions concluded:	25
No. of shares traded over period:	21,275
Total purchase price paid over period:	R 241,757.50
Minimum share price:	R 5.00
Maximum share price:	R 13.00
Average price per share traded:	R 11.36
Average number of shares per deal:	851
% of issued shares traded:	1.06%

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**Statistics: OTCSTF Live Trade**  
**Period: April 2012 - March 2013**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2012		Nil	Nil	Nil
May-2012		Nil	Nil	Nil
Jun-2012	294	1,000	R 1.00	R 1,000.00
	295	200	R 10.00	R 2,000.00
Jul-2012	296	4,000	R 10.00	R 40,000.00
	297	950	R 1.50	R 1,425.00
Aug-2012	298	200	R 10.00	R 2,000.00
	299	5,500	R 10.00	R 55,000.00
	300	4,500	R 11.00	R 49,500.00
Sep-2012		Nil	Nil	Nil
Oct-2012		Nil	Nil	Nil
Nov-2012	301	2,000	R 5.50	R 11,000.00
	302	8,000	R 1.55	R 12,400.00
	303	150	R 10.00	R 1,500.00
	304	200	R 2.00	R 400.00
Dec-2012	305	1,500	R 7.00	R 10,500.00
Jan-2013	306	500	R 7.00	R 3,500.00
	307	250	R 7.00	R 1,750.00
Feb-2013		Nil	Nil	Nil
Mar-2013	308	10,000	R 2.50	R 25,000.00
	<b>15</b>	<b>38,950</b>		<b>R 216,975.00</b>

**Period: April 2012 - March 2013**

No. of transactions concluded:	15
No. of shares traded over period:	38,950
Total purchase price paid over period:	R 216,975.00
Minimum share price:	R 1.00
Maximum share price:	R 11.00
Average price per share traded:	R 5.57
Average number of shares per deal:	2,597
% of issued shares traded:	1.95%

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**Statistics: OTCSTF Live Trade****Period: 1 April 2013 - 31 March 2014**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2013	309	3,125	R 7.00	R 21,875.00
	310	4	R 7.00	R 28.00
	311	1,871	R 7.00	R 13,097.00
	312	3,129	R 7.00	R 21,903.00
	313	4,500	R 3.55	R 15,975.00
	314	1,000	R 3.80	R 3,800.00
	315	300	R 3.55	R 1,065.00
May-2013	316	1,000	R 1.00	R 1,000.00
Jun-2013		Nil	Nil	Nil
Jul-2013	317	2,000	R 5.50	R 11,000.00
	318	5,000	R 5.01	R 25,050.00
	319	1,000	R 5.00	R 5,000.00
	320			Withdrawn
Aug-2013	321	5,000	R 5.00	R 25,000.00
	322	1,400	R 5.00	R 7,000.00
Sep-2013	323	600	R 2.20	R 1,320.00
	324	150	R 5.00	R 750.00
Oct-2013	325			Cancelled
	326			Cancelled
	327	2,000	R 5.00	R 10,000.00
Nov-2013	328			Cancelled
	329	10,000	R 2.25	R 22,500.00
	330	500	R 5.00	R 2,500.00
Dec-2013		Nil	Nil	Nil
Jan-2014	331	10,000	R 10.50	R 105,000.00
	<b>19</b>	<b>52,579</b>		<b>R 293,863.00</b>

**Period: 1 April 2013 - 31 March 2014**

No. of transactions concluded:	19
No. of shares traded over period:	52,579
Total purchase price paid over period:	R 293,863.00
Minimum share price:	R 1.00
Maximum share price:	R 10.50
Average price per share traded:	R 5.59
Average number of shares per deal:	2,767
% of issued shares traded:	2.63%

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**Statistics: OTCSTF Live Trade**  
**Period: 1 April 2014 - 27 May 2014**

Month	Transaction No.	No of Shares	Price	Total Purchase Price
Apr-2014	332	50	R 10.00	R 500.00
May-2014	333	120	R 10.50	R 1,260.00
	334	1,880	R 10.50	R 19,740.00
	335	100	R 10.50	R 1,050.00
	336	7,000	R 2.00	R 14,000.00
	337	2,500	R 2.00	R 5,000.00
	338	100	R 10.50	R 1,050.00
May-2013	339	100	R 10.50	R 1,050.00
	<b>8</b>	<b>11,850</b>		<b>R 43,650.00</b>

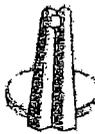
**Period: 1 April 2014 - 27 May 2014**

No. of transactions concluded:	8
No. of shares traded over period:	11,850
Total purchase price paid over period:	R 43,650.00
Minimum share price:	R 2.00
Maximum share price:	R 10.50
Average price per share traded:	R 3.68
Average number of shares per deal:	1,481
% of issued shares traded:	0.59%

*J. M*

202

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South African Reserve Bank  
Office of the Secretary

**Notice to the shareholders of the SA Reserve Bank**

Ref: SSSU/0104

Please note that the SA Reserve Bank Amendment Act, 2010 (Act No. 4 of 2010) ("the Amendment Act") came into force on 13 September 2010. On that same date the Minister of Finance published regulations framed in terms of the SA Reserve Bank Act, 1989 (Act No. 90 of 1989) ("the Act") that repealed earlier regulations pertaining to the SA Reserve Bank (the Bank). In terms of the amendments and new South African Reserve Bank Regulations, 2010 ("the Regulations"), shareholders of the Bank are obliged to disclose to the Bank any other shareholder to be regarded as an "associate".

The Amendment Act describes an "associate" as follows:

"**associate**", in relation to a shareholder –

- (a) if the shareholder is a natural person, means –
  - (i) a close relative of the shareholder; or
  - (ii) any person who has entered into an agreement or arrangement with the shareholder, relating to the acquisition, holding or disposal of, or the exercising of voting rights in respect of, shares of the Bank;
- (b) if the shareholder is a juristic person –
  - (i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
  - (ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;

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- (iii) which is not a company or a close corporation as contemplated in this paragraph, means another juristic person which would have been a subsidiary of the first-mentioned juristic person –
  - (aa) had such first-mentioned juristic person been a company; or
  - (bb) in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
- (iv) means any person in accordance with those directions or instructions the board of directors of or, in the case where the juristic person is not a company, the governing body of the juristic person is accustomed to act; and
- (c) in respect of all shareholders, being either natural or legal persons –
  - (i) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the shareholder; and
  - (ii) includes any trust controlled or administered by the shareholder.”

The Amendment Act defines a “close relative” as follows:

“‘close relative’, in relation to a shareholder, means –

- (a) a spouse, including a domestic or life partner or a party to any recognised union in terms of custom or the tenets of any religion –
  - (i) of the shareholder; or
  - (ii) of a person mentioned in paragraph (b) below; and
- (b) a child, sibling, step-child, parent or step-parent of the shareholder.”

Section 22 of the Amendment Act stipulates, *inter alia*, that any shareholder who holds, or holds in aggregate with his, her or its associates, more than 10 000 shares in the Bank at the commencement of the SA Reserve Bank Amendment Act, 2010, shall disclose to the Bank the names of all his, her or its associates, as well as the number of shares held by each of them.

A shareholder who discloses the above information may continue to hold, or hold in aggregate with his, her or its associates, shares in respect of which such disclosure has been made. For as long as such shareholding, or aggregate shareholding, as the case may be, exceeds 10 000 shares, neither the shareholder nor his, her or its associates, as the case may be, may acquire any further shares in the Bank.

Regulation 3.1 of the Regulations published on 13 September 2010 stipulates, *inter alia*, that:

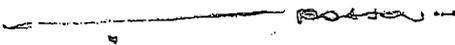
- "3.1 A shareholder required in terms of section 22(2) of the Amendment Act to make disclosure of associates, shall lodge the required information –
- (a) within 40 days of the date on which these Regulations are promulgated, or
  - (b) if the obligation to disclose arises in respect of any event that takes place after the date of promulgation mentioned in (a), within 40 days of the date of such event."

A copy of the prescribed form to be used for disclosure of associates by shareholders is attached.

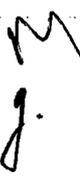
As the Regulations were promulgated on 13 September 2010, duly completed forms disclosing associates must be lodged with the Office of the Secretary of the Bank on or before 23 October 2010.

The SA Reserve Bank Act, 1989 (Act No. 90 of 1989), the SA Reserve Bank Amendment Act, 2010 (Act No. 4 of 2010) and the South African Reserve Bank Regulations, 2010 published on 13 September 2010 are available on the Bank's website at [www.reservebank.co.za](http://www.reservebank.co.za)

Kind regards



**JJ Rossouw**  
**Acting Secretary of the Bank**  
**Pretoria**  
**21 September 2010**



**ANNEXURE**

**DISCLOSURE BY SHAREHOLDERS OF ASSOCIATES**

(Disclosure in terms of Section 22 of the South African Reserve Bank Act as read with the Regulations)

Please state as follows –

1. Full name of shareholder as it appears on the share certificate and total number of shares held:

\_\_\_\_\_

2. If the person mentioned in (1) is acting as a nominee, the full names and addresses of the holders of a beneficial interest in the shares ("beneficial shareholders"):

\_\_\_\_\_  
\_\_\_\_\_

3. Disclosure of associates:

Name of associate* of the shareholder / beneficial shareholder	Manner in which related to the shareholder*	Number of shares owned by associate

\* Refer to the definitions of "associate" and "close relative" in section 1 of the Act.

I \_\_\_\_\_, acting in my capacity as \_\_\_\_\_

declare that the content of this disclosure is true to the best of my knowledge and belief

*M. J.*

and accurately reflects the particulars of all my associates.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

I know and understand the contents of this declaration. I have no objection to taking the prescribed affirmation/oath. I consider the prescribed affirmation/oath to be binding on my conscience.

\_\_\_\_\_  
Deponent

\_\_\_\_\_  
Date

I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration. This declaration was affirmed / sworn to before me and the deponent's signature was placed thereon in my presence at \_\_\_\_\_  
on \_\_\_\_\_

\_\_\_\_\_  
Commissioner of Oaths

\_\_\_\_\_  
Date

Full name of commissioner: \_\_\_\_\_

Designation: \_\_\_\_\_

Business Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Area for which he/she holds appointment: \_\_\_\_\_

Office held if he/she holds this appointment *ex officio*: \_\_\_\_\_

*W*  
*J.*

PH 207A

IN THE HIGH COURT OF SOUTH AFRICA

GAUTENG DIVISION, PRETORIA

CASE NO \_\_\_\_\_

In the matter between:

SOUTH AFRICAN RESERVE BANK

Applicant

and

BARIT, LAWRENCE

First Respondent

BARIT, SHIMON

Second Respondent

DUERR, MICHAEL

Third Respondent

DUERR, SOPHIA MARY

Fourth Respondent

DUERR, JOSEPHINE JOHANNA

Fifth Respondent

DÜRR, FREDERIC MICHAEL

Sixth Respondent

DÜRR, CAROLIN CHARLOTTE

Seventh Respondent

DÜRR, PETER

Eighth Respondent

DÜRR, ERNST ALBERT

Ninth Respondent

DÜRR, ELFRIEDE LUISE

Tenth Respondent

DÜRR, WERNER MARKUS

Eleventh Respondent

GUIZZARDI, GINA

Twelfth Respondent

GUIZZARDI, OSCAR

Thirteenth Respondent

GUIZZARDI, MANRICO

Fourteenth Respondent

HATHORN, CHRISTOPHER BLAIKIE

Fifteenth Respondent

HATHORN, WALTER PIPER

Sixteenth Respondent

JOUBERT, GEORGE ROLLAND

Seventeenth Respondent

JOUBERT, SALLY HELEN HANSCOMB

Eighteenth Respondent

<u>LANG</u> , MICHAEL	Nineteenth Respondent
<u>SMUDE-LANG</u> , SIBYLLA	Twentieth Respondent
<u>LANG</u> , NICHOLAS HENDRIK	Twenty-First Respondent
<u>LANG</u> , HERMANN WERNER	Twenty-Second Respondent
<u>MUNNIK</u> , ZACHARIA PETRONELLA	Twenty-Third Respondent
<u>MEYER</u> , HENDRIK	Twenty-Fourth Respondent
<u>MEYER</u> , GWENDOLINE MILDRED	Twenty-Fifth Respondent
HENDRIK MEYER N.O. IN HIS CAPACITY AS TRUSTEE FOR THE TIME BEING OF THE H MEYER FAMILY TRUST	Twenty-Sixth Respondent
GWENDOLINE MILDRED MEYER N.O. IN HER CAPACITY AS TRUSTEE FOR THE TIME BEING OF THE H MEYER FAMILY TRUST	Twenty-Seventh Respondent
IVO MEYER N.O. IN HIS CAPACITY AS TRUSTEE FOR THE TIME BEING OF THE H MEYER FAMILY TRUST	Twenty-Eighth Respondent
<u>PRIEBATSCH</u> , CHARLES DAVID	Twenty-Ninth Respondent
THE MASTER OF THE HIGH COURT	Thirtieth Respondent

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**SUPPORTING AFFIDAVIT**

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I, the undersigned,

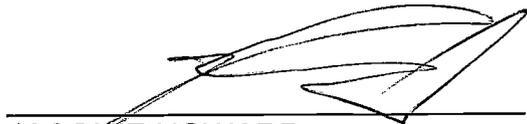
JACQUIE HOWARD

do hereby make oath and say -

Handwritten signature and initials in the bottom right corner, including a large signature and the initials 'W.H.' and 'J.H.'.

- 1 I am an adult female employed as a legal advisor by Investec Securities Proprietary Limited ("Investec Securities") of 100 Grayston Drive, Sandown, Sandton.
- 2 I am duly authorised to depose to this affidavit on behalf of Investec Securities.
- 3 The facts herein contained are within my personal knowledge and to the best of my belief both true and correct.
- 4 I have been advised by the South African Reserve Bank ("the applicant") that the respondents in this application are all persons who unlawfully hold, in aggregate with their associates, shares in excess of 10,000 in the applicant, and the applicant is accordingly launching an application to the above Honourable Court in terms of section 22(1)(b) of the South African Reserve Bank Act 89 of 1998 for an order requiring the disposal of those unlawfully held shares.
- 5 I confirm that Investec Securities will accept appointment as an independent broker to facilitate the disposal of the shares referred to in 4 above on such basis as may be ordered by the above Honourable Court in the abovementioned application.

Handwritten signature and initials in the bottom right corner of the page.

  
\_\_\_\_\_  
JACQUIE HOWARD

I certify that this affidavit was signed and sworn to before me at \_\_\_\_\_ on this the 22nd day of OCTOBER 2014 by the deponent who acknowledged that he knows and understands the contents of this affidavit, has no objection to taking this oath, considers this oath to be binding on his conscience and uttered the following words: 'I swear that the contents of this affidavit are both true and correct, so help me God.'

  
\_\_\_\_\_  
COMMISSIONER OF OATHS

Name: **Nicola Lorraine Jones**  
Address: Admitted Attorney of the High Court  
Commissioner of Oaths  
Capacity: 100 Grayston Drive, Sandown,  
Sandton, 2196

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211

# Valuation of the South African Reserve Bank shares

KPMG Services Proprietary Limited  
September 2014

This report contains 18 pages

Valuation of the South African Reserve Bank shares Final.docx

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## Contents

1	Executive summary	1
1.1	Background	1
1.2	Valuation approach	1
1.3	Conclusion	1
2	Introduction	2
2.1	Purpose of the document	2
2.2	Sources of information	2
2.3	Limitations on scope	2
3	Background	3
3.1	Objective of the SARB	3
3.2	Share capital	3
4	Influence of shareholders	4
4.1	Limitation on number of shares held	4
4.2	Voting	4
4.3	Board of directors	4
4.4	Conclusion	5
5	Rights to dividends	6
5.1	Fixed dividend	6
5.2	Participation in surplus	6
5.3	Conclusion	6
6	Rights on liquidation	7
6.1	Key terms and conditions of the shares	7
6.2	Liquidation scenarios	7
6.3	Rationale	8
6.4	Conclusion	8
7	Definition and approach	9
7.1	Definition of fair value	9
7.2	Valuation methodologies	9
7.3	Our approach	9
8	Value related to dividends	10
8.1	Methodology	10
8.2	Comparable listed instruments	10
8.3	SARB-specific considerations	10
8.4	Capitalisation of future dividends	11

*Valuation of the South African Reserve Bank shares**September 2014*

8.5	Conclusion	11
9	Value related to liquidation	12
10	Quoted price	13
10.1	Introduction	13
10.2	Fair value vs market price	13
10.3	Trading history of SARB shares	13
10.4	Reasons for differences between fair value and quoted price	13
10.5	Conclusion	14
11	Conclusion	15

# 1 Executive summary

## 1.1 Background

1.1.1 We have been requested to prepare an independent valuation of shares in the South African Reserve Bank ("SARB"). This report has been prepared in accordance with and is subject to our standard terms and conditions.

1.1.2 The share capital of the SARB comprises 2 million ordinary shares of R1 each.

1.1.3 The main terms of a financial nature of the shares which we considered to be relevant for valuation purposes are as follows:

- The shareholders are entitled to a dividend of ten cents per share per annum. Any surplus remaining at the end of a financial year after provision has been made for bad and doubtful, other provisions and the abovementioned payment to shareholders is paid to Government (90%) and retained by the SARB in its reserve fund (10%);
- The SARB may not be liquidated except by an act of Parliament. In the event of liquidation, the reserve fund and surplus assets, if any, of the SARB shall be divided between Government and shareholders in the proportion of 60% and 40% respectively. However, the amount payable to a shareholder is capped at the average market price of his holdings of shares over the period of twelve months preceding the day three months prior to liquidation.

## 1.2 Valuation approach

1.2.1 In performing our valuation, we have applied the definition of "fair value" as set out in International Financial Reporting Standard 13 as follows:

*"the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

1.2.2 In performing our valuation, we have separately considered the two main components of value being the dividends to be received and the rights relating to liquidation.

1.2.3 In respect of the dividend, we have applied the capitalisation of maintainable earnings methodology whereby the dividend (i.e. maintainable earnings) is capitalised using a dividend-price ratio (also known as a dividend yield) to arrive at a fair value per share.

1.2.4 In respect of the rights relating to liquidation, we have considered the probability of such an event occurring and our estimate of the financial impact, if any, if such an event were to occur.

1.2.5 The resulting fair value is based on both of the aspects set out above.

## 1.3 Conclusion

1.3.1 Based on the considerations set out in this report, we are of the opinion that the fair value of a SARB share as at 31 July 2014 is R1.55.

## 2 Introduction

### 2.1 Purpose of the document

2.1.1 We have been requested to prepare an independent valuation of shares in the South African Reserve Bank ("SARB"). This report has been prepared in accordance with and is subject to our standard terms and conditions.

### 2.2 Sources of information

2.2.1 The principal sources of information used in preparing this report are as follows:

- South African Reserve Bank Act No. 90 of 1989 as amended ("SARB Act");
- Regulations relating to the SARB (GNR.808 of 13 September 2010) ("SARB Regulations");
- Section 224 of the Constitution of the Republic of South Africa, 1996 as amended ("the Constitution");
- Rules relating to the over-the-counter share transfer facility in respect of shares of the SARB;
- Article from Borse Online dated 26 February to 5 March 2009;
- Analysis of SARB share price over ten year period and selected trading averages;
- List of annual trades from July 2004 to date;
- Financial and other indicators on the Johannesburg Stock Exchange;
- Discussions and other enquiries as we deemed relevant.

### 2.3 Limitations on scope

2.3.1 We have relied upon the sources of information referred to above in undertaking the valuation. Except where specifically stated, we have not sought to establish the reliability of those sources. We have however reviewed the information and have sought explanations for key trends and salient features identified by us. We have also satisfied ourselves, as far as possible, that the information presented is consistent with other information obtained by us in the course of the work undertaken to prepare this report.

2.3.2 We draw your attention to the fact that the valuation does not constitute an audit or due diligence.

2.3.3 The valuation is a function of the assumptions incorporated within the valuation methodology. In particular, the valuation assumes that the historical performance as indicated by management is sustainable or, as a minimum, understood by a potential investor who has a similar outlook of the projected level of cash flow.

2.3.4 The true value negotiated between parties on a willing buyer willing seller basis may differ from this value as it is dependent upon considerations, including but not limited to, relative positions of strength, emotive issues, differing views of trading projections, growth potential, different assessments of risk, human resource issues, warranty conditions, etc., all of which can only be determined through a process of negotiation.

### **3 Background**

#### **3.1 Objective of the SARB**

- 3.1.1 The primary objective of the SARB is to protect the value of the currency of the Republic in the interest of balanced and sustainable economic growth in the Republic (see section 3 of the SARB Act).
- 3.1.2 It follows that, unlike commercial banks, and taking into account the shareholding structure, rights and limitation set out in this report, the SARB has a national public interest role and, hence, not an objective of profit maximisation.
- 3.1.3 Indeed, the very fulfilment of this objective may necessitate the utilisation, and even depletion, of reserves further supporting the view above that the SARB does not have an objective of profit maximisation.

#### **3.2 Share capital**

- 3.2.1 The share capital of the SARB comprises 2 million ordinary shares of R1 each.
- 3.2.2 These shares are held privately and are traded on an Over The Counter Share Transfer Facility ("OTCSTF").
- 3.2.3 We have categorised the key terms and conditions of the SARB shares as follows:
- Influence of shareholders (discussed in section 4 of this report);
  - Rights to dividends (discussed in section 5 of this report);
  - Rights on liquidation (discussed in section 6 of this report).



## 4 Influence of shareholders

### 4.1 Limitation on number of shares held

- 4.1.1 As set out in section 22(1)(a) of the SARB Act, no shareholder is entitled to hold, or hold in aggregate with his or her associates, more than 10 000 shares in the SARB (i.e. 0.5%).
- 4.1.2 We believe that the spread of shareholding resulting from this section reflects an intention to include as broad a public participation in the Bank as possible and to avoid having any individual shareholder exercising significant influence on the SARB.
- 4.1.3 We note that these limitations are unique and different to those imposed on ordinary shares per the Companies Act.

### 4.2 Voting

- 4.2.1 Section 7.3 of the SARB Regulations sets out the matters upon which shareholders may vote at an annual general meeting. The election of directors is considered the most significant of these matters – the remaining matters are largely administrative and include the appointment of auditors and discussion of certain reports.
- 4.2.2 Section 4(1)(b) of the SARB Act stipulates that seven of the 15 directors on the board may be elected by the shareholders. The remaining eight members of the board are appointed by Government.
- 4.2.3 Furthermore, shareholders are only entitled to elect directors which have been confirmed by an independent panel.
- 4.2.4 Therefore, the shareholders are not in a position to obtain control of the board of directors.
- 4.2.5 We note that these limitations are unique and different to those imposed on ordinary shares per the Companies Act.

### 4.3 Board of directors

- 4.3.1 Section 4A of the SARB Act describes the functions and powers of the board of directors as being directed towards corporate governance and specifies that all other powers and duties vest in the governor and deputy governors of the SARB.
- 4.3.2 Section 4A(1)(e) provides for the board of directors to make recommendations in connection with any possible liquidation. However, as discussed in section 6 below, the board of directors cannot take the decision to liquidate the SARB.
- 4.3.3 As appointments to the board of directors is, in our opinion, the most significant matter on which shareholders may vote and the role of the board of directors is to be responsible for corporate governance, it follows that the primary purpose of having private shareholding in the SARB is one of good corporate governance.
- 4.3.4 We note that these limitations are unique and different to those imposed on ordinary shares per the Companies Act.



#### **4.4 Conclusion**

- 4.4.1 Based on the above, we do not believe that the shareholders, either acting alone or together, have any significant influence over the strategic direction or operations of the SARB.

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J.M.

## **5 Rights to dividends**

### **5.1 Fixed dividend**

- 5.1.1 The shareholders are entitled to a dividend of ten cents per share per annum.
- 5.1.2 Any surplus remaining at the end of a financial year after provision has been made for bad and doubtful debts, other provisions and the abovementioned payment to shareholders is paid to Government (90%) and retained by the SARB in its reserve fund (10%) (see section 24 of the SARB Act).

### **5.2 Participation in surplus**

- 5.2.1 The accumulated reserve fund would be utilised by the SARB in pursuit of its primary objective of protecting the value of the currency amongst other operational needs.
- 5.2.2 Based on the above, to the extent that there is a positive balance in this reserve fund, it is only available to the SARB shareholders on liquidation of the SARB as discussed below.
- 5.2.3 Therefore, unlike an ordinary share issued by a company governed by the Companies Act, the SARB shares do not participate in the surplus (if any) on a year to year basis.

### **5.3 Conclusion**

- 5.3.1 While the shares are described as ordinary shares, in our view, the above terms (i.e. a fixed dividend with no participation in the surplus) result in the economic substance of these shares being similar to irredeemable non-cumulative preference shares rather than an ordinary share issued by a company in terms of the Companies Act.

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## 6 Rights on liquidation

### 6.1 Key terms and conditions of the shares

- 6.1.1 In terms of section 38 of the SARB Act, the SARB may not be liquidated except by an act of Parliament.
- 6.1.2 In the event of liquidation, the reserve fund and surplus assets, if any, of the SARB shall be divided between Government and shareholders in the proportion of 60% and 40% respectively.
- 6.1.3 The amount payable to a shareholder is capped at the average market price of his holdings of shares over the period of twelve months preceding the day three months prior to liquidation.

### 6.2 Liquidation scenarios

- 6.2.1 In considering the probability and quantum of proceeds flowing to shareholders if a liquidation were to occur, we have had regard to potential scenarios involving a liquidation.

#### *Scenario A*

- 6.2.2 The first scenario considered is where the SARB is liquidated due to severe financial difficulty which would likely extend to the entire financial system of the country. In this scenario, liquidation would occur due to the liabilities exceeding the assets of the SARB. As a result, there would be no surplus assets to distribute to either Government or the shareholders.
- 6.2.3 Therefore, no proceeds would flow to the shareholders under this scenario.

#### *Scenario B*

- 6.2.4 The second scenario considered is where Parliament liquidates the SARB in order to create a new central bank.
- 6.2.5 We believe that if Parliament perceived a risk of the reserves being distributed to shareholders, it would likely not proceed with the liquidation unless it could eliminate this risk.
- 6.2.6 Therefore, there are two potential outcomes for this scenario:
- Parliament does not proceed with liquidation as it cannot remove the risk of a significant amount of the reserves being distributed; or
  - Parliament eliminates this risk by fixing the share price, amending legislation or using other means at its disposal to ensure that the SARB's surplus assets and reserves are not distributed thereby ensuring consistency with the objective of the SARB and shareholder rights and limitations. We note that Parliament has already set a precedent for the curtailment of the rights of shareholders when it passed the Reserve Bank Amendment Act of 2010.
- 6.2.7 Under the first potential outcome of this scenario, no proceeds would flow to shareholders.
- 6.2.8 Under the second potential outcome of this scenario, any proceeds flowing to shareholders would be limited.

### **6.3 Rationale**

- 6.3.1 In our view, the purpose of private shareholding is for good corporate governance (see section 4 above). Furthermore, given that the objective of the SARB is one of national public interest and not profit maximisation (see section 3.1 above), we do not believe that the intention of the SARB Act is for shareholders to share in the underlying reserves of the SARB as a result of liquidation.
- 6.3.2 Instead, we believe that the intention behind the capping of proceeds to shareholders at the average market price under section 38(2) of the SARB Act is to compensate shareholders for the loss of future dividends and, hence, protect against unintended losses to shareholders in the event of liquidation.

### **6.4 Conclusion**

- 6.4.1 Based on the above, we believe that the probability of proceeds flowing to shareholders in excess of the present value of future dividends in the event of liquidation is highly remote.

## 7 Definition and approach

### 7.1 Definition of fair value

7.1.1 In performing our valuation, we have applied the definition of "fair value" as set out in International Financial Reporting Standard 13 as follows:

*"the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

### 7.2 Valuation methodologies

7.2.1 There is no single standard or specific formula available to determine the fair value of a company's shares but rather a variety of approaches, the most common being:

- discounted cash flow;
- capitalisation of maintainable earnings at a fair earnings yield; and
- net asset value.

7.2.2 The above valuation methodologies have been summarised below:

- The discounted cash flow methodology is based on the anticipated future cash flows projected by the business, which usually have a terminal date. These projected future cash flows are discounted together with the value of the company in perpetuity at a terminal date, at the company's cost of capital, taking into account the risks associated with the business;
- The capitalisation of maintainable earnings methodology is based on the assumption that an investor, in purchasing a business, is acquiring a future earnings stream. The expected future maintainable earnings are capitalised at an appropriate price-earnings ratio, having regards to the risks and growth potential particular to the business being valued; and
- The net asset value methodology is useful in valuing non-trading businesses which are primarily asset based e.g. property and commodity companies. It is also a useful methodology when other valuation techniques result in a value, which is less than the net asset value. In these circumstances, the value of the business is to some extent underpinned by the value of its net assets.

### 7.3 Our approach

7.3.1 In performing our valuation, we have separately considered the two main components of value set out in sections 5 and 6.

7.3.2 In respect of the dividend, we have applied the capitalisation of maintainable earnings methodology whereby the dividend (i.e. maintainable earnings) is capitalised using a dividend-price ratio (also known as a dividend yield) to arrive at a fair value per share.

7.3.3 In respect of the rights relating to liquidation, we have considered the probability of such an event occurring and our estimate of the financial impact if such an event was to occur.

7.3.4 The resulting fair value is based on both of the aspects set out above.

9/12 J.M

## 8 Value related to dividends

### 8.1 Methodology

8.1.1 In respect of the dividend, we have applied the capitalisation of maintainable earnings methodology whereby the dividend (i.e. maintainable earnings) is capitalised using a dividend-price ratio (also known as a dividend yield) to arrive at a fair value per share.

### 8.2 Comparable listed instruments

8.2.1 The capitalisation rate to be applied to the dividends has been arrived at taking into account dividend yields on listed irredeemable preference shares issued by South African banks.

Table 1: Yields on preference shares

Yields on preference shares	
Company	Yield 31-Jul-14
Absa Bank Limited	6.64%
Capitec Bank Limited	6.95%
FirstRand Limited	6.51%
Investec Limited	6.75%
Nedbank Limited	5.93%
Standard Bank Group Limited	5.98%
<b>Average</b>	<b>6.46%</b>

Source: McGregor BFA

8.2.2 Based on the above table, the dividend yields range between 5.93% and 6.95% with an average of 6.46%.

### 8.3 SARB-specific considerations

8.3.1 We believe that the SARB shares are less risky than the listed irredeemable preference shares set out above due to the relative risk profile of the SARB. As a result, the SARB shares would command a lower yield.

8.3.2 However, the SARB shares are less liquid than the listed irredeemable preference shares set out above and, therefore, a discount for lack of liquidity should be applied.

8.3.3 As the two factors set out above would, in our view, largely counteract one another, no further adjustment has been applied in our valuation of the SARB shares.

## 8.4 Capitalisation of future dividends

8.4.1 As set out in the table below, we have applied the average dividend yield of 6.46% to the dividend of ten cents per share to arrive at the value of the share resulting from dividends.

Table 2: Present value of future dividends

Present value of future dividends	
	Rands
Dividend per share	0.10
Dividend yield	6.46%
<b>Value per share</b>	<b>1.55</b>

Source: KPMG calculations

## 8.5 Conclusion

8.5.1 Based on the calculations above, the value per SARB share resulting from the dividend is R1.55.





## **9 Value related to liquidation**

- 9.1.1 As set out in section 6.4, we believe that the probability of proceeds flowing to shareholders in excess of the present value of future dividends in the event of liquidation is highly remote.
- 9.1.2 Therefore, we do not believe that there is currently any additional value over and above the present value of future dividends as a result of the sections relating to liquidation which should be taken into account in arriving at the fair value of the SARB shares.

## 10 Quoted price

### 10.1 Introduction

10.1.1 The SARB shares are traded on an Over The Counter Share Transfer Facility ("OTCSTF") and details of the trades are published on the SARB website.

### 10.2 Fair value vs market price

10.2.1 In an efficient market, high liquidity of a share drives the market price of that share to approximate fair value.

10.2.2 Conversely, a lack of liquidity in the trading of a share will result in market prices diverging from fair value and not providing meaningful information regarding the fair value of the share in question.

### 10.3 Trading history of SARB shares

10.3.1 We have considered the list of annual trades from July 2004 to June 2014 and note the following:

- Only a few trades occur on the OTCSTF each month (usually not more than seven in total for a month) with certain months not having any trades;
- The trades which do take place are for small parcels.

10.3.2 Based on the above, we do not consider the SARB's OTCSTF to represent an active market as the trades do not take place with sufficient frequency or volume.

10.3.3 This significant lack of liquidity results in the traded share price not being considered a reliable basis for measuring fair value.

### 10.4 Reasons for differences between fair value and quoted price

10.4.1 Fair value and quoted prices can diverge for a number of reasons, illiquidity being chief among them. Speculative share trading and uninformed buyers and sellers can also contribute to a divergence between fair value and quoted prices.

10.4.2 We believe that the significant lack of liquidity of SARB shares on the OTCSTF would be the main reason for the divergence of the quoted price from fair value.

10.4.3 In addition, the uniqueness of the rights and limitations of the SARB shares as compared to ordinary shares issued by a company operating in terms of the Companies Act would likely contribute to this divergence as all existing and future potential shareholders may not fully understand these unique rights and limitations attaching to the shares.

10.4.4 Furthermore, the low transaction values are likely to result in shareholders not expending significant time or effort in refining the price which they are willing to pay to acquire a share or accept to dispose of a share.

**10.5 Conclusion**

- 10.5.1 Based on the above, we believe that the quoted price of the SARB shares is not a reliable basis for determining fair value and, hence, irrelevant for this purpose.

## 11 Conclusion

- 11.1.1 Based on the considerations set out in this report, we are of the opinion that the fair value of a SARB share as at 31 July 2014 is R1.55.



\_\_\_\_\_  
Neeraj Shah  
Director  
KPMG Services (Pty) Ltd



\_\_\_\_\_  
Date



PH 207A

IN THE HIGH COURT OF SOUTH AFRICA  
GAUTENG DIVISION, PRETORIA

CASE NO \_\_\_\_\_

In the matter between:

SOUTH AFRICAN RESERVE BANK	Applicant
and	
<u>BARIT</u> , LAWRENCE	First Respondent
<u>BARIT</u> , SHIMON	Second Respondent
<u>DUERR</u> , MICHAEL	Third Respondent
<u>DUERR</u> , SOPHIA MARY	Fourth Respondent
<u>DUERR</u> , JOSEPHINE JOHANNA	Fifth Respondent
<u>DÜRR</u> , FREDERIC MICHAEL	Sixth Respondent
<u>DÜRR</u> , CAROLIN CHARLOTTE	Seventh Respondent
<u>DÜRR</u> , PETER	Eighth Respondent
<u>DÜRR</u> , ERNST ALBERT	Ninth Respondent
<u>DÜRR</u> , ELFRIEDE LUISE	Tenth Respondent
<u>DÜRR</u> , WERNER MARKUS	Eleventh Respondent
<u>GUIZZARDI</u> , GINA	Twelfth Respondent
<u>GUIZZARDI</u> , OSCAR	Thirteenth Respondent
<u>GUIZZARDI</u> , MANRICO	Fourteenth Respondent
<u>HATHORN</u> , CHRISTOPHER BLAIKIE	Fifteenth Respondent
<u>HATHORN</u> , WALTER PIPER	Sixteenth Respondent
<u>JOUBERT</u> , GEORGE ROLLAND	Seventeenth Respondent
<u>JOUBERT</u> , SALLY HELEN HANSCOMB	Eighteenth Respondent

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<u>LANG</u> , MICHAEL	Nineteenth Respondent
<u>SMUDE-LANG</u> , SIBYLLA	Twentieth Respondent
<u>LANG</u> , NICOLAS HENDRIK	Twenty-First Respondent
<u>LANG</u> , HERMANN WERNER	Twenty-Second Respondent
<u>MUNNIK</u> , ZACHARIA PETRONELLA	Twenty-Third Respondent
<u>MEYER</u> , HENDRIK	Twenty-Fourth Respondent
<u>MEYER</u> , GWENDOLINE MILDRED	Twenty-Fifth Respondent
HENDRIK MEYER N.O. IN HIS CAPACITY AS TRUSTEE FOR THE TIME BEING OF THE H MEYER FAMILY TRUST	Twenty-Sixth Respondent
GWENDOLINE MILDRED MEYER N.O. IN HER CAPACITY AS TRUSTEE FOR THE TIME BEING OF THE H MEYER FAMILY TRUST	Twenty-Seventh Respondent
IVO MEYER N.O. IN HIS CAPACITY AS TRUSTEE FOR THE TIME BEING OF THE H MEYER FAMILY TRUST	Twenty-Eighth Respondent
<u>PRIEBATSCH</u> , CHARLES DAVID	Twenty-Ninth Respondent
THE MASTER OF THE HIGH COURT	Thirtieth Respondent

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**CONFIRMATORY AFFIDAVIT**

---

I, the undersigned,

**NEERAJ SHAH**

do hereby make oath and say -



- 1 I am an adult male Chartered Accountant practising as such as a Director of KPMG Services (Pty) Ltd in its Corporate Finance Division. I am also the Head of Valuations for KPMG in South Africa as well as a member of KPMG's Global Valuations Committee. A copy of my curriculum vitae is attached marked "NS1".
  
- 2 The facts contained in this affidavit are within my own personal knowledge and are both true and correct.
  
- 3 I confirm that –
  - 3.1 the report attached to the founding affidavit ("the report") was prepared by me and I confirm the accuracy of the content of same;
  
  - 3.2 I have read the founding affidavit deposed to by Dr Johannes de Jager and confirm as true and correct the allegations contained therein insofar as they relate to me;
  
  - 3.3 where the applicant has referred to and/or summarised the content of the report in the founding affidavit, such references and/or summaries accurately reflect the content of the report.

I certify that this affidavit was signed and sworn to before me at  
on this the                    day of                    by the deponent who  
acknowledged that he/she knows/knew and understands/understood the contents of  
this affidavit, has/had no objection to taking this oath, considers/considered this oath

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J.

to be binding on his/her conscience and uttered the following words: 'I swear that the contents of this affidavit are both true and correct, so help me God.'

---

COMMISSIONER OF OATHS

Name:

Address:

Capacity:

M  
J.

**Neeraj Shah***Director, Corporate Finance**Head of Valuations for KPMG South Africa***Neeraj Shah**

*Director, Corporate Finance  
Head of Valuations for KPMG  
South Africa*

KPMG Services (Pty) Ltd

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**Function and specialization**

Neeraj has 16 years experience in providing valuation and other transaction advisory services to clients.

**Education, licenses and certifications**

Corporate Financier (CF):

Institute of Chartered

Accountants in England &amp; Wales

Chartered Accountant (ACA):

Institute of Chartered

Accountants in England &amp; Wales

BSc (Hons) Economics,

University of Bristol, UK

**Professional and industry experience**

Neeraj is a member of KPMG's Global Valuation Committee which oversees a global US\$300m revenue business and comprises over 800 dedicated staff in 50 countries.

In South Africa, Neeraj leads a team of over 20 professional business valuers dealing with a full range of complex commercial and regulatory valuation issues in the context of mergers & acquisitions, divestitures, reorganisations and disputes.

**Representative clients**

- Neeraj has been involved in acting as independent expert (appointed under the Johannesburg Stock Exchange rules and/or the Takeover Regulations Panel rules) for/on the following entities (recent sample): MTN, Vox Telecom, AFGRI Limited, Beige Holdings, African Life Assurance Company, Alexander Forbes, Discovery, FirstRand, RMB Holdings, Remgro, Barplats, Harmony Gold, Lonmin Platinum, Gold One, Assmang, Assore, Barplats, Metorex, Petmin.
- Neeraj has also acted as valuation expert in shareholder dispute or arbitrator/court matters for various entities in the manufacturing, property, retail and financial services sectors (confidential due to sensitive nature).
- Neeraj has also provided transactional valuation advice to, amongst others: Ford Motor Corporation, JSE, Real Africa Holdings, Nestle South Africa, Absa Capital Private Equity, Public Investment Corporation, First National Bank, Kagiso Tiso Holdings, PME African Infrastructure, Lereko Metier Capital, Legae Securities Group, IndeBank (Malawi), Glenrand MIB, Marsh Holdings, Assupol, Botswana Insurance Holdings Limited, Reserve Bank of Zimbabwe.

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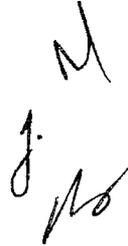
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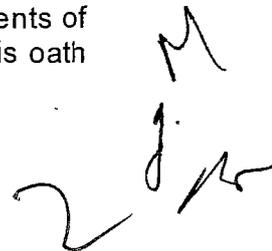





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I certify that this affidavit was signed and sworn to before me at Johannesburg on this the 4th day of NOVEMBER 2014 by the deponent who acknowledged that he/she knows/knew and understands/understood the contents of this affidavit, has/had no objection to taking this oath, considers/considered this oath



to be binding on his/her conscience and uttered the following words: 'I swear that the contents of this affidavit are both true and correct, so help me God.'



COMMISSIONER OF OATHS

Name:

JOHN LEWIS LECKIE CUZEN

Address:

Commissioner of Oaths  
Practising Attorney R.S.A.

Capacity:

No. 1, 14th Avenue, Houghton Estate  
Johannesburg 2198

*M*  
*Z* *J.P.*

**Neeraj Shah**  
 Director, Corporate Finance  
 Head of Valuations for KPMG South Africa



**Neeraj Shah**  
 Director, Corporate Finance  
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 South Africa

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- Neeraj has been involved in acting as independent expert (appointed under the Johannesburg Stock Exchange rules and/or the Takeover Regulations Panel rules) for/on the following entities (recent sample): MTN, Vox Telecom, AFGRI Limited, Beige Holdings, African Life Assurance Company, Alexander Forbes, Discovery, FirstRand, RMB Holdings, Remgro, Barplats, Harmony Gold, Lonmin Platinum, Gold One, Assmang, Assore, Barplats, Metorex, Petmin.
- Neeraj has also acted as valuation expert in shareholder dispute or arbitrator/court matters for various entities in the manufacturing, property, retail and financial services sectors (confidential due to sensitive nature).
- Neeraj has also provided transactional valuation advice to, amongst others: Ford Motor Corporation, JSE, Real Africa Holdings, Nestle South Africa, Absa Capital Private Equity, Public Investment Corporation, First National Bank, Kagiso Tiso Holdings, PME African Infrastructure, Lereko Metier Capital, Legae Securities Group, IndeBank (Malawi), Glenrand MIB, Marsh Holdings, Assupol, Botswana Insurance Holdings Limited, Reserve Bank of Zimbabwe.

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