

GEN – General – Tongaat Hulett Limited

Censure imposed by the JSE on Mr Murray Munro, the former Chief Financial Officer of Tongaat Hulett Limited (“**Tonga**at” or “**Company**”)

The JSE hereby informs stakeholders of the following findings in respect of Mr Munro:

1. Stakeholders are referred to the JSE’s announcement published on SENS on 1 July 2020 wherein the JSE imposed a public censure and financial penalties amounting to R7.5 million against Tongaat as its previously published financial information for the periods 2011 to 2018 did not comply with IFRS and was incorrect, false and misleading in material aspects and this incorrect information was disseminated to shareholders, the JSE and the investing public.
2. Pursuant to the JSE’s investigation into the conduct of certain individuals that presided at the Company during the periods in question, the JSE has concluded its investigation against Mr Munro in his capacity as the Chief Financial Officer of Tongaat at the time.
3. The accuracy and reliability of financial information published by companies are of critical importance in ensuring a fair, efficient and transparent market. In addition hereto, the investing public relies on a company’s published financial information to make important investment decisions.
4. The JSE found that Mr Munro’s actions and failure to comply with important provisions of the Listings Requirements were one of the causes of the publication and dissemination of material misstatements to Tongaat’s consolidated financial statements for the periods 2011 to 2018.
5. As Tongaat’s Chief Financial Officer during the periods in question, Mr Munro was the guardian and overseer of Tongaat’s financial health and infrastructure and key to his role and direct function was analysing and preparing Tongaat’s financial statements. Mr Munro was also the senior executive responsible for managing the financial actions of Tongaat and occupied the highest financial position in the Company. The material prior period errors took place under the supervision of Mr Munro and as the Chief Financial Officer at the time, Mr Munro was obliged to take the necessary actions to ensure that Tongaat’s financial information was, in all aspects, correct and that it represents a fair and accurate exposition of the Company’s financial information. Tongaat’s previously published financial information

failed to comply with IFRS and was incorrect, false, and misleading in material respects. Mr Munro's actions directly resulted and/or contributed to Tongaat breaching the Listings Requirements. As Tongaat's CFO at the time, he was responsible for this, and in terms of the Listings Requirements cannot delegate this responsibility.

6. Accordingly, the JSE found Mr Munro, in his capacity as the former Chief Financial Officer of Tongaat, to be in breach of the following Listings Requirements:
 - i. Paragraph 8.57(a) and 8.62(b) as his actions directly resulted and/or contributed to the restatement of Tongaat's previously published financial statements in respect of the interim and annual financial statements for the 2011 to 2018 financial periods which were not in compliance with the requirements of IFRS and the Listings Requirements; and
 - ii. General Principles (v) and (vii) dealing with the accuracy of financial statements as Mr Munro failed to exercise the highest standards of care in the dissemination of Tongaat's financial information into the market place, whether directly to holders of relevant securities or to the public; and failed to ensure that the Listings Requirements promote investor confidence in standards of disclosure and corporate governance.

JSE's decision to censure Mr Munro

7. Directors of issuers fulfil a critical role in ensuring that listed companies comply with the Listings Requirements. Issuers of securities listed on the JSE are only able to comply with the Listings Requirements if their directors take the appropriate actions to ensure that such issuers comply in all aspects with its provisions. Directors of companies listed on the JSE are bound by and must comply with the Listings Requirements, as amended from time to time, and undertake and agree to discharge their duties in ensuring such compliance whilst they are directors.
8. For these reasons and with reference to the JSE's findings of breach, the JSE has decided to impose the following penalties on Mr Munro:
 - i. A public censure and a fine of R6 000 000 (six million rand) for Mr Munro's actions which directly resulted and/or contributed to the restatement of Tongaat's previously published financial

information which did not comply with IFRS and was incorrect, false and misleading in material aspects; and

- ii. Immediate disqualification from holding the office of a director or officer of a listed company for a period of 10 (ten) years for failing to fulfil his duties and responsibilities as the Chief Financial Officer with the necessary due care and skill.

9. The fine imposed against Mr Munro will be appropriated in accordance with section 11(4) of the Financial Markets Act, 19 of 2012 read with section 1.25 of the Listings Requirements which includes, inter alia the settlement of any external costs incurred by the JSE which may arise through the enforcement of the provisions of the Listings Requirements and/or in furtherance thereof.
10. Mr Munro informed the JSE that he does not agree with the JSE's decision and findings and that he intended exercising his rights to challenge the JSE's decision in terms of the provisions of the Financial Sector Regulation Act ("**FSRA**").
11. On 24 February 2023, Mr Munro applied to the Financial Services Tribunal in terms of section 231 of the FSRA for an order suspending the decisions of the JSE Ltd. On the same day, Mr Munro also applied for the reconsideration of the decisions of the JSE in terms of section 230(1) of the FSRA. The JSE opposed Mr Munro's suspension and reconsideration application.
12. On 18 April 2023, the Deputy Chairperson of the Financial Services Tribunal, Retired Judge Harms, dismissed the suspension application, other than agreeing to suspend the payment of the fine that the JSE has imposed on Mr Munro. In the circumstances, the JSE is entitled to publish this censure, and to disqualify Mr Munro from holding the office of a director or officer of a listed company for a period of 10 years.
13. The JSE will await the outcome of the reconsideration application in so far as the enforcement of the fine is concerned. The JSE will continue to oppose the reconsideration application.
14. The investigation into the conduct of other individuals that presided at the Company during the periods in question and who are bound by the Listings Requirements is ongoing.

18 April 2023