

14 February 2012

Dear Sir/Madam

ESTABLISHMENT OF AN INVESTIGATIONS UNIT WITHIN THE ISSUER SERVICES DIVISION

Over the past few years the Issuer Services Division (“the Division”), at any given time, has been conducting investigations into at least 10 serious matters concerning issuers, directors and/or sponsors/designated advisors (“Regulated Parties”). The offences include fraud, publication of false and misleading information, incorrect financial statements, non-disclosure of corporate actions and failure to release trading statements. These investigations are over and above the vast number of less serious transgressions of the JSE’s Listings Requirements (“LR”).

Historically this work-load was delegated to the Corporate Finance Officers (“CFOs”) within the Division in addition to their normal duties of processing documentation and approving corporate actions, etc. By their inherent nature, investigations are invariably complicated and protracted and, it must be recognised, require a different set of skills from those possessed by CFOs. In addition to practical considerations the JSE is also obliged in terms of the Securities Services Act 36 of 2004 to enforce its rules and LR and to supervise compliance therewith by Regulated Parties. As a licensed exchange and self-regulatory organisation the JSE is obliged to perform these statutory duties in order to keep its licence. Naturally this responsibility includes the comprehensive investigation of and eventual institution of action for any transgression of its rules and LR.

An assessment of these various factors led to the decision to establish a separate and distinct Unit within the Division which will bear the specific responsibility of investigating instances of non-compliance with the LR. The Investigations Unit (“IU”) is separate from the Corporate Finance Unit of the Division and clear distinctions have been made between the operational responsibilities of both. In addition the IU is directly responsible to the Executive Director of the Division. Furthermore the IU will have a close working relationship with both the JSE’s Surveillance Division and the Directorate of Market Abuse at the Financial Services Board (“FSB”).

Upon receipt of a complaint the IU will assess whether it falls under the jurisdiction of the JSE. If it does not then it may be referred, when appropriate, to another body such as the FSB, the South African Police Services or the Department of Trade and Industry. Where the IU decides to launch an investigation parties will be given full opportunity to respond to the allegations. Naturally due regard will be paid to ensuring that the process is fair and equitable in terms of the LR and general administrative law.



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(Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence,
A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne
Alternate Directors: JH Burke, LV Parsons

The IU will in due course be sending out a number of letters which address frequently occurring specific transgressions of the LR, the purpose of the letters are to warn Regulated Parties that in future the JSE will be taking more stringent action in the event of continuing non-compliance with these specific provisions of the LR. Regulated Parties should therefore put policies and procedures in place proactively to avoid non-compliance with the LR and action by the IU.

We trust that this letter assists you in understanding the purpose of the IU and its process. We shall appreciate your co-operation with the IU in order for them to fulfill their tasks.

Yours faithfully

A handwritten signature in black ink, appearing to be 'John Burke', written over the typed name.

John Burke
Director
Issuer Services Division