

**BARNARD  
JACOBS  
MELLET**



**FIRSTRAND**

**Barnard Jacobs Mellet  
Holdings Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
JSE share code: BJM ISIN: ZAE000014262  
("BJM")

**FirstRand Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010753/06)  
JSE share code: FSR ISIN: ZAE000066304  
("FirstRand")

**Circular to BJM Shareholders**

*relating to:*

**a scheme of arrangement in terms of section 311 of the Companies Act, proposed by FirstRand between BJM and its shareholders, in terms of which FirstRand Investment Holdings (Proprietary) Limited, a wholly-owned subsidiary of FirstRand, will acquire all the shares in the issued share capital of BJM, for a cash consideration of R4.50 per BJM share, payable by FirstRand on behalf of FirstRand Investment Holdings (Proprietary) Limited;**

*and incorporating:*

- **an Explanatory Statement in terms of section 312(1)(a)(i) of the Companies Act;**
- **a Scheme of Arrangement in terms of section 311 of the Companies Act (*blue*);**
- **a valuation statement in terms of section 312(1)(a)(ii) of the Companies Act;**
- **a statement of directors' interests in terms of section 312(1)(a)(iii) of the Companies Act;**
- **additional information as required by the SRP;**
- **the Order of Court authorising the convening of the Scheme Meeting;**
- **a notice of the Scheme Meeting;**
- **a form of proxy (*pink*) for the Scheme Meeting (for use by Certificated Shareholders and own-name registered Dematerialised Shareholders only); and**
- **a form of surrender and transfer (*yellow*) (for use by Certificated Shareholders only).**

**30 July 2010**

**Corporate Advisor to BJM**

**Deloitte.**  
Corporate Finance Division  
Deloitte & Touche

**Merchant Bank and Sponsor to  
FirstRand**



**Independent Sponsor to BJM**

**Deloitte.**  
Deloitte & Touche Sponsor Services (Pty) Ltd  
(Incorporated in the Republic of South Africa)  
(Registration number 1996/000034/07)

**Attorneys to BJM**

  
**WERKSMANS**  
INCORPORATING  
JAN S. DE VILLIERS

**Transfer Secretaries**

**LINK**  
MARKET SERVICES

**Sponsor to BJM**

**BARNARD  
JACOBS  
MELLET**

Corporate Finance

**Attorneys to FirstRand**

**DENEYS | REITZ**  
ATTORNEYS

**Independent Expert to BJM**

**PRICEWATERHOUSECOOPERS**   
PricewaterhouseCoopers  
Corporate Finance (Pty) Ltd  
(Registration number 1970/003711/07)

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## Corporate information and advisors

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### Company secretary and registered office of BJM

Nexia Levitt Kirson Management Services CC  
Barnard Jacobs Mellet Holdings Limited  
(Registration number 1995/004798/06)  
24 Fricker Road  
Illovo Corner  
Illovo  
Johannesburg, 2196  
(PO Box 62200, Marshalltown, 2107)

### Transfer Secretaries to BJM

Link Market Services South Africa  
(Proprietary) Limited  
(Registration number 2000/007239/07)  
16th Floor  
11 Diagonal Street  
Johannesburg, 2001  
(PO Box 4844, Johannesburg, 2000)

### Sponsor to BJM

Barnard Jacobs Mellet Corporate Finance  
(Proprietary) Limited  
(Registration number 2000/023249/07)  
24 Fricker Road  
Illovo Boulevard  
Illovo  
Johannesburg, 2196  
(PO Box 62200, Marshalltown, 2107)

### Independent sponsor to BJM

Deloitte & Touche Sponsor Services  
(Proprietary) Limited  
(Registration number 1996/000034/07)  
Building 6, The Woodlands  
Woodmead  
Johannesburg, 2196  
(Private Bag X6, Gallo Manor, 2052)

### Attorneys to BJM

Werksmans Incorporating Jan S de Villiers  
(Registration number 2008/018923/21)  
155, 5th Street  
Sandown  
Sandton  
Johannesburg, 2196  
(Private Bag 10015, Sandton, 2146)

### Date of incorporation

30 May 1995

### Place of incorporation

Republic of South Africa

### Attorneys to FirstRand

Deneys Reitz Attorneys  
(Registration number 1984/003385/21)  
82 Maude Street  
Sandton  
Johannesburg, 2196  
(PO Box 784903, Sandton, 2146)

### Merchant Bank and Sponsor to FirstRand

Rand Merchant Bank  
(a division of FirstRand Bank Limited)  
(Registration number 1929/001225/06)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton  
Johannesburg, 2196  
(PO Box 786273, Sandton, 2146)

### Corporate Advisor to BJM

Deloitte & Touche Corporate Finance  
Building 6  
The Woodlands  
Woodmead  
Johannesburg, 2196  
(Private Bag X6, Gallo Manor, 2052)

### Reporting Auditors and Accountants to BJM

KPMG Inc.  
(Registration number 1999/012876/07)  
85 Empire Road  
Parktown  
Johannesburg, 2193  
(Private Bag X9, Parkview, 2122)

### Independent Expert to the BJM Board

PricewaterhouseCoopers Corporate Finance  
(Proprietary) Limited  
(Registration number 1970/003711/07)  
2 Elgin Road  
Sunninghill  
Johannesburg, 2157  
(Private Bag X36, Sunninghill, 2157)

### FirstRand Limited

(Registration number 1966/010753/06)  
1st Floor, 4 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton  
Johannesburg, 2196  
(PO Box 650149, Benmore, 2010)

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This Circular is available in English only. Copies of this Circular may be obtained from the registered office of BJM and the offices of the Transfer Secretaries of BJM, the addresses of which are set out in the "Corporate information and advisors" section of this Circular.

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## Action required by Shareholders

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The definitions and interpretations commencing on page 7 of this Circular apply to this “Action required by Shareholders” section of this Circular.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, please consult your broker, CSDP, accountant, attorney or other financial advisor. If you have disposed of your Shares, this Circular should be handed to the purchaser of such Shares or the Broker, CSDP, or other agent who disposed of your Shares for you.

**Please take careful note of the following provisions regarding the action to be taken by Shareholders:**

### 1. If you hold Dematerialised Shares (without Own Name Registration)

#### 1.1 Attendance and representation at the Scheme Meeting

**1.1.1** If you wish to attend the Scheme Meeting, currently scheduled for 10:00 on Monday 23 August 2010, at the registered office of BJM (being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196), you should advise your CSDP or Broker accordingly (in accordance with the terms of the mandate concluded between you and your CSDP or Broker) and your CSDP or Broker will issue you with the necessary letter of representation or other authority required to attend the Scheme Meeting or any adjournment thereof, which letter or proxy or other authority must be submitted to the Transfer Secretaries to be received by no later than 10:00 on Thursday 19 August 2010. Forms may also be handed to the chairperson no later than ten minutes prior to commencement of Scheme Meeting.

**1.1.2** Unless you advise your CSDP or Broker, in accordance with the terms of the mandate concluded between you and your CSDP or Broker, that you wish to attend the Scheme Meeting and have been provided with a letter of representation or other authority from your CSDP or Broker or instructed them to send their proxy to represent you at the Scheme Meeting, your CSDP or Broker may assume that you do not wish to attend the Scheme Meeting and may act in accordance with the mandate between you and your CSDP or Broker.

#### 1.2 Voting at the Scheme Meeting

**1.2.1** If your CSDP or Broker has not contacted you, you are advised to contact your CSDP or Broker and furnish them with your voting instructions as to how you wish to vote at the Scheme Meeting, such instructions to be communicated by your CSDP or Broker to the Transfer Secretaries by no later than the cut-off time advised by your CSDP or Broker in terms of the mandate between you and your CSDP or Broker.

**1.2.2** If your CSDP or Broker does not obtain voting instructions from you, they will be obliged and authorised to vote in accordance with the instructions contained in the mandate concluded between you and your CSDP or Broker.

**1.2.3** If you are a Dematerialised Shareholder **without** Own-Name Registration, you must **not** complete the attached form of proxy (*pink*).

#### 1.3 Attendance at the Court hearing

**1.3.1** If the Scheme is approved by the requisite majority of Scheme Members at the Scheme Meeting, you are entitled, subject to paragraph 1.3.2 below, to attend, or be represented by Counsel at the Court hearing to sanction the Scheme, which is currently scheduled for 10:00 on Tuesday 31 August 2010, or as soon as possible thereafter as Counsel may be heard, in the High Court of South Africa (South Gauteng High Court, Johannesburg), which is located at the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg.

**1.3.2** If you wish to attend the Court hearing or be represented by Counsel thereat, you must advise your CSDP or Broker accordingly and your CSDP or Broker will issue you with the necessary letter of representation or other authority.

**1.3.3** Unless you advise your CSDP or Broker, in accordance with the terms of the mandate concluded between you and your CSDP or Broker, that you wish to attend the Court hearing or be represented by Counsel thereat and you have been provided with a letter of representation, your CSDP or Broker may assume that you do not wish to attend the Court hearing or be represented by Counsel thereat.

#### **1.4 Surrender of Document(s) of Title**

You do **not** have to surrender any Document(s) of Title and you must **not** complete the attached form of surrender and transfer (*yellow*).

#### **1.5 Scheme Consideration**

**1.5.1** Your account with your CSDP or Broker will be credited with the Scheme Consideration on the Operative Date. The payment of the Scheme Consideration may be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5 to this Circular.

**1.5.2** Discharge of the Scheme Consideration in terms of paragraph 1.5.1 above to your CSDP or Broker shall constitute full and proper discharge of the Scheme Consideration to you.

### **2. If you hold Dematerialised Shares with own-name registration**

If you are a Dematerialised Shareholder with Own-Name Registration, paragraphs 1.4 and 1.5, above and paragraphs 3.1 and 3.2 below apply to you.

### **3. If you hold Certificated Shares**

#### **3.1 Attendance, representation and voting at the Scheme Meeting**

**3.1.1** You may attend the Scheme Meeting, currently scheduled for 10:00 on Monday 23 August 2010 at the registered office of BJM, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196, in person, and may vote at the Scheme Meeting. If your Certificated Shares are held by a nominee, you should advise your nominee accordingly (in accordance with the terms of the mandate concluded between you and nominee) and your nominee will issue you with the necessary proxy or other authority required to attend the Scheme Meeting or any adjournment thereof, which letter or proxy or other authority must be submitted to the Transfer Secretaries to be received by no later than 10:00 on Thursday 19 August 2010.

**3.1.2** Alternatively, if you are unable to attend the Scheme Meeting, you may appoint a proxy to represent you at the Scheme Meeting by completing the attached form of proxy (*pink*) in accordance with the instructions it contains and by returning it to the Transfer Secretaries, to be received by them by no later than 10:00 on Thursday 19 August 2010. Forms of proxy may also be handed to the chairperson of the Scheme Meeting no later than ten minutes before the Scheme Meeting is due to commence.

#### **3.2 Attendance at Court hearing**

If the Scheme is approved by the requisite majority of Scheme Members at the Scheme Meeting, you are entitled to appear or be represented by Counsel at the Court hearing to sanction the Scheme, which is currently scheduled for 10:00 on Tuesday 31 August 2010 or as soon thereafter as Counsel may be heard, in the High Court of South Africa (South Gauteng High Court, Johannesburg), which is located at the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg.

#### **3.3 Surrender of Document(s) of Title**

**3.3.1** If you wish to anticipate the Scheme becoming operative, you should complete the attached form of surrender and transfer (*yellow*) and return it, together with your Document(s) of Title (in negotiable form) to the Transfer Secretaries. In such cases, surrendered Document(s) of Title (in negotiable form) will be held on your behalf pending the Scheme becoming operative, failing which such Document(s) of Title (in negotiable form) will be returned to you, by ordinary mail, at your risk.

**3.3.2** If you surrender your Document(s) of Title (in negotiable form) before the Record Date of the Scheme, you will not be able to dematerialise and/or trade in your Certificated Shares on the securities exchange operated by the JSE from the date of surrender. However, your right to attend and vote at the Scheme Meeting will remain unaffected.

**3.3.3** You must complete the surrender and transfer form (*yellow*) and send it together with your Document(s) of Title (in negotiable form) to the Transfer Secretaries, to be received by them no later than 12:00 on the Record Date of the Scheme, in order for you to receive the Scheme Consideration on the Operative Date.

**3.3.4** If the relevant Document(s) of Title (in negotiable form) are not surrendered, or if the Scheme Consideration is returned undelivered to the Transfer Secretaries, the Scheme Consideration concerned will be held, for a period of three years from the Operative Date, by the Transfer Secretaries on behalf of and for the benefit of the relevant Certificated Scheme Participants until claimed. If not claimed within the aforementioned three-year period, the Scheme Consideration will be held indefinitely in escrow by the Transfer Secretaries for the benefit of the Scheme Participants. No interest will accrue or be paid to a Certified Scheme Participant in respect of any amounts so held in escrow.

#### **3.4 Scheme Consideration**

**3.4.1** On the Operative Date, and if you have properly executed the attached form of surrender and transfer (*yellow*) and delivered it, together with the relevant Document(s) of Title (in negotiable form), to the Transfer Secretaries before 12:00 on the Record Date of the Scheme, the Scheme Consideration will be paid to you by cheque sent, by ordinary mail, to your registered address, at your risk, alternatively, if you so elect by completing the relevant section in the form of surrender and transfer (*yellow*), by way of electronic funds transfer into the bank account stipulated by you in the form of surrender and transfer (*yellow*), such posting or payment, as the case may be, to be effected within five Business Days of the Operative Date; or

**3.4.2** After 12:00 on the Record Date of the Scheme, the Scheme Consideration will be paid to you by cheque sent by ordinary mail to your registered address, at your risk, alternatively, if you so elect by completing the relevant section in the form of surrender and transfer (*yellow*), by way of electronic funds transfer into the bank account stipulated by you in the form of surrender and transfer (*yellow*), such posting or payment, as the case may be, to be effected within five Business Days of the later of: (1) the date of receipt of the form of surrender and transfer (*yellow*) together with the relevant Document(s) of Title (in negotiable form) by the Transfer Secretaries and (2) the Operative Date.

**3.4.3** Discharge of the Scheme Consideration in terms of paragraph 3.4.1 or 3.4.2 above shall be made by FirstRand on behalf of FRIHL, and such discharge to any Scheme Participant shall constitute full and proper discharge of the Scheme Consideration to that Scheme Participant.

**3.4.4** Payment of the Scheme Consideration may be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5 to this Circular.

#### **4. General**

**4.1** Shareholders are advised to consult their relevant professional advisors concerning their personal tax positions regarding the receipt of the Scheme Consideration.

**4.2** Shareholders are advised that no Dematerialisation or Rematerialisation of Shares may take place after Friday 1 October 2010.

**4.3** In the case of joint Certificated Scheme Participants and joint Dematerialised Scheme Participants with Own-Name Registration, the vote of the senior Certificated Scheme Member or senior Dematerialised Scheme Member with own-name registration (seniority to be determined by the order in which the names of the joint Certificated Scheme Participants or joint Dematerialised Scheme Participants with Own-Name Registration are reflected in the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote of the other joint Certificated Scheme Member(s) or joint Dematerialised Scheme Member(s) with Own-Name Registration.

**4.4** If Document(s) of Title to be surrendered are lost or destroyed, Certificated Scheme Participants should nevertheless return the attached form of surrender and transfer (*yellow*) duly signed and completed to the Transfer Secretaries, together with a duly executed indemnity approved by BJM and FirstRand, a copy of which indemnity is obtainable from the Transfer Secretaries.

**4.5** BJM and FirstRand may (provided they both so agree) dispense with the surrender of Document(s) of Title upon production of evidence satisfactory to BJM and FirstRand that the Document(s) of Title have been lost or destroyed and upon execution and delivery of the abovementioned indemnity to them.

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## Important dates and times

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The definitions and interpretations commencing on page 7 of this Circular have, where necessary, been used in the important dates and times as set out below:

**2010**

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Last day to trade in BJM Shares on the JSE in order to be recorded on the Register to vote at the Scheme Meeting	Wednesday 11 August
Record date to be recorded on the Register in order to vote at the Scheme Meeting by the close of trade on the JSE (refer to note 2 below)	Wednesday 18 August
Last day to lodge forms of proxy ( <i>pink</i> ) for the Scheme Meeting (refer to note 5 below) by 10:00 on	Thursday 19 August
Scheme Meeting to be held at 10:00 on	Monday 23 August
Results of the Scheme Meeting and finalisation announcement subject to Court sanction and registration of Order of Court released on SENS on	Monday 23 August
Scheme chairperson's report to lie open for inspection for seven calendar days from	Tuesday 24 August
Results of the Scheme Meeting published in the South African press on	Tuesday 24 August
Court hearing to sanction the Scheme expected to take place at 10:00 (or as soon thereafter as Counsel may be heard) on	Tuesday 31 August
Results of the Court hearing released on SENS on	Tuesday 31 August
Results of the Court hearing published in the press on	Wednesday 1 September
Finalisation announcement released on SENS by no later than	Thursday 23 September
Finalisation announcement published in the press by no later than	Monday 27 September
Expected last day to trade in BJM Shares on the securities exchange operated by the JSE in order to be recorded on the Register on the Record Date of the Scheme on	Friday 1 October
Expected suspension of listing of BJM Shares on the securities exchange operated by the JSE at the commencement of trade on such securities exchange on	Monday 4 October
Expected Record Date of the Scheme on which Shareholders must be recorded as such in the Register of Shareholders to receive the Scheme Consideration by 17:00 on	Friday 8 October
Expected Operative Date of the Scheme at the commencement of trade on the JSE on	Monday 11 October
Payment expected to be transferred electronically or posted to Certificated Scheme Participants (if Document(s) of Title are received on or before 12:00 on the Operative Date) on or about	Monday 11 October
Dematerialised Scheme Participants expected to have their accounts held at their CSDP or Broker credited with the Scheme Consideration on	Monday 11 October
Expected termination of listing of BJM Shares on the JSE at the commencement of trade on	Tuesday 12 October

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**Notes:**

1. The above dates and times are subject to such changes as may be agreed to by BJM and FirstRand or required by the JSE and/or SRP and, if necessary, approved by the Court, the JSE and the SRP. If the Conditions Precedent are not met by the date the finalisation announcement is to be released on SENS as set out above, then an updated timetable will be released. Any material changes to the above dates and times will be released on SENS and, if practicable, published in the South African press.
2. Shareholders should note that, as trade in Shares on the securities exchange operated by the JSE is settled through Strate, settlement for trade takes place five business days after any such trade. Therefore, Shareholders who acquire Shares on the securities exchange operated by the JSE after Wednesday 11 August 2010 will not be entitled to vote at the Scheme Meeting.
3. Dematerialised Scheme Participants, other than those with Own-Name Registration, must provide their CSDP or Broker with their instructions for voting at the Scheme Meeting by the cut-off time and date advised by their CSDP or Broker for instructions of this nature.
4. No Dematerialisation or Rematerialisation of Shares may take place after Friday 1 October 2010.
5. Forms of proxy for the Scheme Meeting (*pink*) may also be handed to the chairperson of the Scheme Meeting by no later than ten minutes before the commencement of the Scheme Meeting.
6. All times referred to in this Circular are South African times and are based on a 24-hour clock.



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## Definitions and interpretations

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In this Circular and its annexures, unless otherwise stated or the context otherwise indicates, the words and expressions in the first column shall have the meaning stated opposite in the second column and words and expressions in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and *vice versa* and any reference to one gender shall include the other genders:

“Articles”	articles of association of the Company;
“Banks Act”	Banks Act, 94 of 1990, as amended;
“BEE”	a qualifying description of an act or subject matter pertaining to black economic empowerment contemplated in the Broad-Based Black Economic Empowerment Act, 53 of 2003, as amended;
“BJM” or “the Company”	Barnard Jacobs Mellet Holdings Limited (registration number 1995/004798/06), a public company with limited liability incorporated in accordance with the company laws of South Africa, the shares of which are listed on the securities exchange operated by the JSE;
“BJM Directors”	directors of BJM at the Last Practicable Date, whose names are set out in Annexure 6 to this Circular;
“BJM Group” or “the Group”	BJM and its Subsidiaries;
“BJM Securities”	Barnard Jacobs Mellet Securities (Proprietary) Limited, a wholly-owned subsidiary of BJM which has been sold to RenCap Securities in terms of the BJM Securities Transaction;
“BJM Securities Transaction”	transaction in terms of which RenCap Securities, acquired the entire issued share capital of BJM Securities, for a Maximum Cash Consideration of R207 million as announced on Monday 3 May 2010 and which became unconditional on Tuesday 13 July 2010;
“Board” or “BJM Board”	board of directors of the Company;
“Broker”	any person registered as a “broking member” in terms of the JSE Listings Requirements in accordance with the provisions of the Securities Services Act;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Scheme Members”	Certificated Shareholders, who are recorded in the Register as such on the Record Date for Voting;
“Certificated Scheme Participants”	Certificated Shareholders, who are recorded in the Register as such on the Record Date of the Scheme;
“Certificated Shareholders”	Shareholders holding Certificated Shares;
“Certificated Shares”	Shares which are not Dematerialised and title to which are represented by share certificates or other Documents of Title;
“Circular”	this bound document, dated Friday 30 July 2010, relating to the Scheme of Arrangement and incorporating the Explanatory Statement, the valuation statement, the statement of directors’ interests, the Scheme of Arrangement ( <i>blue</i> ), the Order of Court convening the Scheme Meeting, the notice of Scheme Meeting (together with form of proxy ( <i>pink</i> ) and the form of surrender and transfer ( <i>yellow</i> ));
“Code”	Securities Regulation Code on Take-overs and Mergers and the Rules of the Securities Regulation Panel, issued pursuant to the Companies Act;

“Commercial Paper”	unlisted, registered unsecured notes which form part of a private placement programme in a total quantum of R250 million arranged by The Standard Bank of South Africa Limited;
“Common Monetary Area”	common monetary area, comprising South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	South African Companies Act, 61 of 1973, as amended;
“Competition Act”	Competition Act, 89 of 1998, as amended;
“Competition Authority”	Competition Commission and/or the Competition Tribunal, as the case may be;
“Competition Commission”	Competition Commission of South Africa, established in terms of section 19 of the Competition Act;
“Competition Tribunal”	Competition Tribunal of South Africa, established in terms of section 26 of the Competition Act;
“Conditions Precedent”	Conditions Precedent to the Scheme of Arrangement as set out in paragraph 6 of the Explanatory Statement and paragraph 4 of the Scheme;
“Court”	High Court of South Africa (South Gauteng High Court, Johannesburg), which is located at the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg;
“CSDP”	a Central Securities Depository Participant accepted as a participant in terms of the Securities Services Act;
“Dematerialisation” or “Dematerialised”	process by which Certificated Shares are converted into electronic form as Dematerialised Shares and recorded in the Register of Shareholders maintained by a CSDP in terms of Strate;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	shares which have been incorporated into the sub-register by Strate and which are no longer evidenced by paper share certificates or other physical Documents of Title;
“Dematerialised Scheme Members”	Dematerialised Shareholders recorded on the sub-Register on the Record Date of the Scheme for voting and who are therefore entitled to vote at the Scheme Meeting;
“Dematerialised Scheme Participants”	Dematerialised Shareholders recorded on the sub-Register on the Record Date of the Scheme and who are therefore entitled to receive the Scheme Consideration;
“Document(s) of Title”	in respect of Certificated Shares, a valid share certificate(s), certified transfer deed(s), balance receipt(s), or any other Document(s) of Title acceptable to BJM and FirstRand;
“EBITDA”	earnings before interest, tax, depreciation and amortisation on a consolidated basis in the relevant period, calculated by applying the same accounting principles and conventions as applied by BJM in its financial statements;
“Effective Date”	date when the BJM Securities Transaction became effective, being Tuesday 13 July 2010;
“Exchange Control Regulations”	Exchange Control Regulations of 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended;
“Executive Directors”	chief executive officer and the chief financial officer, each of whom is involved in the day-to-day running of BJM and is in full-time salaried employment with the Company;

“Explanatory Statement”	Explanatory Statement in terms of section 312(1)(a)(i) of the Companies Act relating to the Scheme of Arrangement commencing on page 20 of this Circular;
“Firm Intention Announcement”	announcement relating to the Firm Intention Offer released on SENS on Monday 21 June 2010 and published in the press on Tuesday 22 June 2010;
“Firm Intention Offer”	offer submitted by FirstRand to the Board on Friday 18 June 2010 setting out FirstRand’s Firm Intention for FirstRand or one of its wholly-owned subsidiaries to acquire the entire issued share capital of BJM;
“FirstRand”	FirstRand Limited (registration number 1996/010753/06), a public company with limited liability incorporated in accordance with the company laws of South Africa, the shares of which are listed on the securities exchange operated by the JSE and acting herein as the proposer of the Scheme;
“FirstRand Board”	board of directors of FirstRand;
“FRIHL”	FirstRand Investment Holdings (Proprietary) Limited (registration number 2001/023466/07), a wholly-owned subsidiary of FirstRand and the entity which will acquire all of the BJM Shares pursuant to the Scheme;
“FirstRand Group”	FirstRand and its subsidiaries;
“FNB”	First National Bank, a division of FirstRand Bank Limited;
“FNB Wealth”	collectively, FNB Private Clients and RMB Private Bank;
“High Net Worth Individuals”	a person who’s net investable assets are in excess of R5 million;
“Insolvency Act”	Insolvency Act, 24 of 1936, as amended;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company with limited liability duly registered and incorporated under the company laws of South Africa, licensed to operate as an exchange in terms of the Securities Services Act;
“Last Day to Trade”	last day to purchase Shares in order to be eligible to participate in the Scheme, which date is expected to be Wednesday 11 August 2010;
“Last Practicable Date”	Last Practicable Date before the finalisation of this Circular, being 8 July 2010;
“Link” or “Transfer Secretaries”	Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07), a private company with limited liability duly registered and incorporated under the company laws of South Africa, the Transfer Secretaries of BJM;
“Material Adverse Change”	any event, circumstance, effect, occurrence or state of affairs or combination of the factors which would have the effect of reducing the audited net asset value of BJM as at 31 March 2010 by more than 20%;
“Maximum Cash Consideration”	being the maximum consideration of R207 million in terms of the BMJ Securities Transaction;
“Memorandum”	memorandum of association of BJM, which is a document available for inspection in terms of paragraph 16.5 on page 35 of this Circular;
“NTAV”	net tangible asset value of the BJM Group on a consolidated basis (that is, excluding any net non-cash adjustments as may otherwise result from marking to market the values of foreign exchange exposures on the procurement of finished goods, raw materials or packaging in the ordinary course of business), calculated by applying the same accounting principles and conventions as applied by BJM in its financial statements;
“Operative Date”	first business day following the Record Date of the Scheme;
“Order of Court”	Order of Court authorising the convening of the Scheme Meeting, as set out on pages 63 to 65 of this Circular;

“Own-Name Registration”	registration in the Register of Dematerialised Shareholders of those Dematerialised Shareholders who have instructed their CSDP to hold their Shares in their own name on the Register;
“PCS”	Barnard Jacobs Mellet Private Client Services (Proprietary) Limited (registration number 1996/011732/07), a wholly-owned subsidiary of BJM;
“Purchase Consideration”	consideration payable by RenCap Securities as stipulated in the definition of the BJM Securities Transaction;
“PWC” or “Independent Expert”	PricewaterhouseCoopers Corporate Finance (Proprietary) Limited (registration number 1970/003711/07), a private company with limited liability incorporated in accordance with the company laws of South Africa;
“Rand” or “R” or “cents”	South African Rand and cents, being the official currency of South Africa;
“Record Date for Voting”	date upon which a Shareholder must be recorded in the Register to be entitled to vote at the Scheme Meeting, being the close of business five Business Days following the Last Day to Trade, which is expected to be the close of trade on the securities exchange operated by the JSE on Wednesday 18 August 2010;
“Record Date of the Scheme”	date upon which a Shareholder must be recorded in the Register to be entitled to receive the Scheme Consideration, which Record Date of the Scheme is expected to be the close of trade on the JSE on Friday 8 October 2010;
“Register”	Register of Certificated Shareholders maintained by the Transfer Secretaries read together with the sub-Register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Registrar”	Registrar of Companies and Close Corporations in South Africa;
“Registrar of Banks”	person appointed as Registrar of Banks in terms of section 4 of the Banks Act;
“Remaining Businesses”	remaining companies in the BJM Group after the BJM Securities Transaction, being PCS, Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited, Barnard Jacobs Mellett Insurance (Proprietary) Limited, Barnard Jacobs Mellett (USA) LLC, Barnard Jacobs Mellett (UK) Limited and Finsettle Services (Proprietary) Limited;
“RenCap Securities”	Renaissance Securities Holdings (SA) (Proprietary) Limited (registration number 2010/004550/07), a wholly-owned subsidiary of Renaissance Capital Limited;
“RCHL”	Renaissance Capital Holdings Limited (registration number EC24667), a company incorporated in the Islands of Bermuda whose directors are Clifford James Sacks and Andrew Worsley Lowe;
“Renaissance Capital Limited”	Renaissance Capital Limited (registration number 03059237), a company incorporated in accordance with the laws of England and Wales, a wholly-owned subsidiary of RCHL;
“Reporting Accountants”	KPMG Inc. (registration number 1999/012876/07), registered accountants and auditors;
“Restricted Period”	six-month period prior to the date of the Firm Intention Offer;
“RMB Morgan Stanley”	RMB Morgan Stanley (Proprietary) Limited, RMB’s joint venture with Morgan Stanley Inc;
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited;
“SARB”	South African Reserve Bank;

“SARS”	share appreciation rights, being rights acquired by employees and management of the BJM Group in terms of the BJM Share Incentive Scheme;
“Scheme” or “Scheme of Arrangement”	Scheme of Arrangement in terms of section 311 of the Companies Act, proposed by FirstRand between BJM and the Scheme Members, in terms of which FRIHL will, if the Scheme becomes operative, acquire the Scheme Shares in exchange for the Scheme Consideration, subject to any modification or amendment agreed to in writing by FirstRand and BJM and, if necessary, approved by the Court, the JSE and/or the SRP;
“Scheme Consideration”	<p>cash consideration of R4.50 per Scheme Share payable by FirstRand on behalf of FRIHL and which consideration will be adjusted downwards proportionately if, and to the extent that, the adjusted net cash in BJM is less than R190 million at the last day of the month immediately preceding the month during which the Scheme is voted on by the Scheme Members. Formulaically, the Scheme Consideration will be calculated as follows:</p> $\text{Scheme Consideration} = R4.50 - \left[ \frac{R190 \text{ million} - \text{adjusted net cash balance at 31 July 2010}}{100 \text{ million Shares}} \right]$ <p>For the purpose of this definition, the adjusted net cash balance will be the cash balance in BJM at 31 July 2010 as per the bank accounts held by BJM <b>less</b> any outstanding amounts due for: closure or restructuring costs for the international operations; costs arising from the disposal of BJM Securities; settlement of creditors balances as set out in the accounting records of BJM as at 31 July 2010; settlement of all Commercial Paper issued by BJM <b>less</b> cash balances in the “Amounts receivable in respect of stockbroking operations” line on the balance sheet as at 31 July 2010; the amount of the obligation of the BJM Share Incentive Trust to settle any outstanding liabilities to BJM employees in terms of the trust deed thereof <b>plus</b> receipt of debtors balances in the accounting records of BJM as at 31 July 2010; proceeds from BJM Securities transaction to the extent not received at 31 July 2010 and debt repayment from Snowy Owl in respect of a BEE transaction amounting to R14.7 million. The adjusted net cash position will be calculated by the Reporting Accountants and in the event of FirstRand and BJM failing to agree with regard to any amount referred to above, such amount shall be determined by the Reporting Accountants acting as experts and not as arbitrators, whose decision shall be final and binding;</p>
“Scheme Meeting”	meeting of Scheme Members to be convened pursuant to the Order of Court, currently scheduled for 10:00 on Monday 23 August 2010, to be held at 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196 at which meeting Scheme Members will consider and vote on the Scheme, the notice of which is attached to and forms part of this Circular;
“Scheme Members”	members of the Company registered as such on the Record Date for Voting who are entitled to vote at the Scheme Meeting;
“Scheme Participants”	Shareholders registered as such on the Record Date of the Scheme, who are entitled to receive the Scheme Consideration;
“Scheme Shares”	100% of the Shares in issue, being 100 million ordinary shares, which will be acquired by FRIHL pursuant to the Scheme;
“Securities”	as defined in the Securities Services Act;
“Securities Services Act”	Securities Services Act, 36 of 2004, as amended;
“SENS”	Securities Exchange News Service of the JSE;
“Shareholders” or “BJM Shareholders”	registered holders of Shares at the Last Practicable Date;

“Shares” or “BJM Shares”	listed ordinary shares with a par value of one cent each in the share capital of the Company;
“Snowy Owl”	Snowy Owl Properties 299 (Proprietary) Limited (registration number 2003/018337/07), a private company incorporated in South Africa and a Shareholder, and black economic empowerment partner of BJM;
“South Africa”	the Republic of South Africa;
“SRP”	Securities Regulation Panel established in terms of section 440B of the Companies Act;
“Strate”	Strate Limited (registration number 1998/022242/06), a public company with limited liability duly registered and incorporated in accordance with the company laws of South Africa, which is licensed as a central securities depository in terms of section 32 of the Securities Services Act;
“sub-Committee”	independent sub-committee, comprising all non-executive directors appointed by the BJM Board, other than A R Martin, to consider, assess, negotiate and carry out any obligations that may be required of them on behalf of BJM regarding the Scheme;
“sub-Register”	record of uncertificated securities administered and maintained by a CSDP and which forms part of the Company’s Register of members;
“Subsidiary”	subsidiary as defined in the Companies Act; and
“VWAP”	volume weighted average price.



**FIRSTRAND**

**Barnard Jacobs Mellet  
Holdings Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
JSE share code: BJM ISIN: ZAE000014262  
("BJM")

**FirstRand Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010753/06)  
JSE share code: FSR ISIN: ZAE000066304  
("FirstRand")

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**Explanatory Statement  
in terms of section 312(1)(a)(i) of the Companies Act**

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**Directors of BJM**

J A Bester (*Chairman*)<sup>^</sup>  
H S C Bester<sup>^</sup>  
A R Martin<sup>^</sup>  
A M Mazwai\* (*Chief Executive Officer*)  
T S Seopa<sup>^</sup>  
L Wilson\*

**Directors of FirstRand**

L L Dippenaar (*Chairman*)<sup>^</sup>  
P K Harris<sup>^</sup>  
S E Nxasana (*Chief Executive Officer*)\*  
V W Bartlett<sup>^</sup>  
J P Burger (*Chief Financial Officer and  
Chief Operating Officer*)\*  
L Crouse<sup>^</sup>  
P M Goss<sup>^</sup>  
N N Gwagwa<sup>^</sup>  
K B Schoeman<sup>^</sup>  
A P Nkuna<sup>^</sup>  
A T Nzimande<sup>^</sup>  
D Premnarayen\*  
R K Store<sup>^</sup>  
B J van der Ross<sup>^</sup>  
M H Visser<sup>^</sup>  
J H van Greuning<sup>^</sup>  
E G Matenge-Sebesho<sup>^</sup>  
W R Jardine<sup>^</sup>  
J J H Bester<sup>^</sup>

\* Executive

<sup>^</sup> Non-executive

\* Executive

<sup>^</sup> Non-executive

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**1. Introduction**

Shareholders are referred to the announcement dated Monday 3 May 2010 regarding the acquisition by RenCap Securities of the entire issued share capital of BJM Securities for a Maximum Cash Consideration of R207 million, subject to the fulfilment of certain conditions. Post the Effective Date of the BJM Securities Transaction, there will be a number of remaining businesses in BJM, as more fully set out in paragraph 2.2 commencing on page 32 of this Circular.

BJM Shareholders are further referred to the Firm Intention Announcement whereby Shareholders were advised that FirstRand had submitted to the BJM Board a firm intention to make an offer for FirstRand or one of its wholly-owned subsidiaries to acquire all the BJM Shares from BJM Shareholders by way of a scheme of arrangement in terms of section 311 of the Companies Act. Pursuant to the successful implementation of the Scheme, FirstRand will own 100% of the ordinary share capital of BJM and BJM will be delisted from the JSE. At the Last Practicable Date, FirstRand did not own any BJM Shares.

This Circular sets out the reasons for, and the terms and effects of, the Scheme and incorporates the details of the Scheme. The implementation of the Scheme is subject to the fulfilment of the Conditions Precedent set out in paragraph 6 below.

A notice convening the Scheme Meeting is attached to and forms part of this Circular.

## 2. Background information and Rationale for the Scheme

Although the FirstRand Group has a very broad product offering in the High Net Worth Individual market, operating as FNB Wealth, it does not have an appropriate product to service FNB Wealth clients looking to execute their own equity and bond trades. Although RMB Morgan Stanley is one of the top institutional brokers on the stock exchange operated by the JSE, there is no comparable retail offering.

FNB Wealth has developed a strategy to expand its stock broking presence by targeting its existing 40 000 clients who earn more than R1.1 million per annum. This strategy would ultimately be successful but would require significant expenditure of both time and funding in order to achieve critical mass. As part of the market research for this expansion project, BJM's business model was evaluated and the possibility of acquiring this business was considered. FirstRand believes that the current situation provides an opportunity to develop a mutually beneficial transaction.

As well as providing the platform for FNB Wealth to enter a new market, the Scheme will be extremely beneficial to the PCS business. The provision of access to the existing FNB Wealth client base, amounting to in excess of 40 000 clients, will enable BJM to significantly increase the size of its client base and drop the per unit cost base of the business.

## 3. Details of the Scheme and the Scheme Consideration

FirstRand is proposing the Scheme between BJM and the Scheme Members in terms of which FRIHL will acquire all the BJM Shares in issue for the Scheme Consideration.

Pursuant to the implementation of the Scheme, FRIHL will own 100% of the Shares which will result in the delisting of the entire issued share capital of BJM from the securities exchange operated by the JSE.

The Scheme Consideration will be adjusted downwards proportionately if, and to the extent that, the net cash balance in BJM is less than R190 million at the last day of the month immediately preceding the month during which the Scheme is voted on by the Scheme Members. The net cash balance mentioned above does not include any money received for the acquisition of treasury shares in terms of the Scheme. In the event the cash balance is more than R210 million the excess cash above R210 million can be returned to Shareholders, with the approval of FirstRand, as a distribution of capital or a dividend. Any change to the Scheme Consideration will be communicated to Scheme Members through a release on SENS and publication of a press announcement.

The Scheme Consideration results in the following premia for BJM Shareholders:

	<b>Premium (%)</b>
Based on closing market price on Friday 18 June 2010 of 381 cents per Share	18.1
Based on 30-day VWAP to Friday 18 June 2010 of 382 cents	17.7
Based on 60-day VWAP to Friday 18 June 2010 of 368 cents	22.3
Based on 90-day VWAP to Friday 18 June 2010 of 346 cents	29.9

The Scheme has been based on the assumption that no dividend, distribution or similar payment to Shareholders is made between the date of this Circular and the implementation of the Scheme.

## 4. Cash confirmation

FirstRand has provided the SRP with a cash confirmation letter in respect of the Scheme Consideration and the SRP has approved the cash confirmation in terms of Rule 2.3.2(b) and Rule 21.7 of the Code.

## 5. Mechanics of the Scheme

The full terms of the Scheme are set out in the blue section commencing on page 20 of this Circular.

### 5.1 The Scheme Meeting

*5.1.1* The Scheme will be put to the vote at the Scheme Meeting, which is currently scheduled to take place at 10:00 on Monday 23 August 2010 (or such other time and date to which it may be adjourned) at the registered office of BJM, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196 (or such other venue, the details of which will be released on SENS and, if, in the discretion of the chairperson practicable, published in the South African press). The Scheme Meeting will be convened in terms of the Order of Court, a copy of which is set out on pages 63 to 65 of this Circular. The notice convening the Scheme Meeting is attached to and forms part of this Circular.



- 5.1.2 Section 311(2)(b) of the Companies Act requires that the Scheme be approved by a majority representing not less than three-fourths of the votes exercisable by Scheme Members who are present and voting, either in person or by proxy, at the Scheme Meeting.
- 5.1.3 The Scheme Meeting will, in terms of the Order of Court, be held under the chairmanship of Mervyn Taback, a practising attorney of Mervyn Taback Inc, or failing him, Lourens van Staden, a practising attorney of Mervyn Taback Inc.
- 5.1.4 The Scheme Meeting may not agree to any modification: (1) which if effected, will be detrimental to the rights of the Scheme Participants, and (2) without the prior written consents of BJM and FirstRand.
- 5.1.5 Each Certificated Scheme Member and Dematerialised Scheme Member with own-name registration can attend and vote in person at the Scheme Meeting or give a proxy to someone else (including the chairperson of the Scheme Meeting) to represent him at the Scheme Meeting.
- 5.1.6 The Transfer Secretaries must receive the duly completed forms of proxy (*pink*) by no later than 10:00 on Thursday 19 August 2010. Forms of proxy may also be handed to the chairperson of the Scheme Meeting no later than ten minutes before the Scheme Meeting is due to commence.
- 5.1.7 Dematerialised Scheme Members who are not registered with own-name registration or Certificated Scheme Members whose Shares are held through a nominee can contact their CSDP or Broker, or nominee, as the case may be, to obtain a letter of representation to allow them to attend in person, speak and vote at the Scheme Meeting or to obtain a letter of representation for someone else to represent them at the Scheme Meeting.
- 5.1.8 Dematerialised Scheme Members who are not registered with Own-Name Registration or Certificated Scheme Members whose Shares are held through a nominee and who do not wish to attend and vote at the Scheme Meeting, but who wish to be represented thereat, must provide their CSDP or Broker, or nominee, as the case may be, with their voting instructions in accordance with the mandate governing their relationship.
- 5.1.9 Scheme Members entitled to attend and vote at the Scheme Meeting will be given an opportunity to state their views at the Scheme Meeting.

## 5.2 Court hearing

- 5.2.1 Subject to the Scheme being approved by the requisite majority of Scheme Members at the Scheme Meeting, application will be made to the Court for an order sanctioning the Scheme at 10:00, or so soon thereafter as Counsel may be heard, on Tuesday 31 August 2010 or, if the chairperson adjourns the Scheme Meeting, the first Tuesday (or if that Tuesday is a public holiday, the first day thereafter) on which the matter can be set down for hearing in terms of the rules of Court after the expiry of the seven calendar-day period contemplated in paragraph 8 of the Order of Court. Scheme Members are entitled to attend the Court hearing in person, or to be represented by Counsel thereat, and to be heard concerning any objection they may have regarding the Scheme. Dematerialised Scheme Members, other than those with Own-Name Registration, may contact their CSDP or Broker to obtain a letter of representation to allow them to attend the Court hearing in person or be represented by Counsel thereat and to be heard concerning any objection they may have regarding the Scheme.
- 5.2.2 If the Court sanctions the Scheme, the Order of Court sanctioning the Scheme will be lodged with the Registrar for registration. When the Order of Court sanctioning the Scheme is registered, the Scheme will, subject to the fulfilment of any remaining Conditions Precedent, become binding on all Scheme Members.

## 5.3 Surrender of Document(s) of Title

### **The surrender of Document(s) of Title only applies to Certificated Scheme Participants.**

- 5.3.1 If you are a Certificated Scheme Participant, you must surrender your Document(s) of Title (in negotiable form) together with the duly completed forms of surrender and transfer (*yellow*) in order to receive the Scheme Consideration.

- 5.3.2 Certificated Scheme Participants who wish to anticipate the Scheme becoming operative and expedite receipt of the Scheme Consideration should complete the attached form of surrender and transfer (*yellow*) and return same to the Transfer Secretaries, together with their Document(s) of Title (in negotiable form) so as to be received by the Transfer Secretaries by no later than 12:00 on the Record Date of the Scheme.
- 5.3.3 Alternatively, Certificated Scheme Participants may wait until the Scheme becomes operative, which is expected to be on Monday 11 October 2010, and surrender their Document(s) of Title (in negotiable form) under cover of the completed form of surrender and transfer (*yellow*) at that time or instruct their Brokers accordingly.
- 5.3.4 If your Document(s) of Title (in negotiable form) in respect of Certificated Shares are surrendered in advance of the Scheme becoming operative, it will not be possible to dematerialise those shares thereafter. In addition, no Dematerialisation or rematerialisation of shares may take place after Friday 1 October 2010.
- 5.3.5 No receipts will be issued for Document(s) of Title surrendered unless specifically requested in writing.
- 5.3.6 If you are a Certificated Shareholder and you surrender your Document(s) of Title (in negotiable form) in anticipation of the Scheme becoming operative, such documents will be held in trust by the Transfer Secretaries pending the Scheme becoming operative. Should the Scheme not become operative for any reason whatsoever, then the Transfer Secretaries will, within five Business Days of the date upon which it becomes known that the Scheme will not become operative, return your Document(s) of Title, by ordinary mail, to your registered address, at your risk.
- 5.3.7 If your Document(s) of Title have been lost or destroyed and you produce evidence to this effect to the satisfaction of both BJM and FirstRand, then BJM and FirstRand may dispense with the requirement of the surrender of Document(s) of Title (in negotiable form) against the provision of a duly executed indemnity approved by BJM and FirstRand, a copy of which indemnity is obtainable from the Transfer Secretaries.
- 5.3.8 Shares may only be traded on the securities exchange operated by the JSE in Dematerialised form. Scheme Participants who elect to retain their physical share certificates need **not** submit their share certificates for dematerialisation in order to participate in the Scheme.

#### 5.4 Settlement of the Scheme Consideration

- 5.4.1 If the Scheme becomes operative, Scheme Participants will be entitled to the Scheme Consideration against delivery to the Transfer Secretaries of their Scheme Shares.
- 5.4.2 Discharge of the Scheme Consideration in terms of paragraph 5.4.5 or 5.4.10 below to any Scheme Participant shall constitute full and proper discharge by FirstRand of the Scheme Consideration to that Scheme Participant.
- 5.4.3 Payment of the Scheme Consideration may be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5 to this Circular.

#### **If you are a Certificated Scheme Participant:**

- 5.4.4 If you have properly executed the attached form of surrender and transfer (*yellow*) and delivered it, together with the relevant Document(s) of Title (in negotiable form) as set out in paragraph 5.3 above:
- 5.4.4.1 before 12:00 on the Record Date of the Scheme, payment of the Scheme Consideration will be effected by cheque sent to you by ordinary mail to your registered address, at your risk, alternatively, if you so elect by completing the relevant section in the form of surrender and transfer (*yellow*), by way of electronic funds transfer into the bank account stipulated by you in the form of surrender and transfer (*yellow*), such posting or payment, as the case may be, to be effected within five Business Days of the Operative Date; or
- 5.4.4.2 after 12:00 on the Record Date of the Scheme, the Scheme Consideration will be paid to you by cheque sent by ordinary mail to your registered address, at your risk, alternatively, if you so elect by completing the relevant section in the form of surrender and transfer (*yellow*), by way of electronic funds transfer into the bank account stipulated by you in the form of surrender and transfer (*yellow*), such posting or payment, as the case may be, to be effected within five Business Days of the later of: (1) the date of receipt of the completed form of surrender and transfer (*yellow*) together with your Document(s) of Title (in negotiable form) by the Transfer Secretaries, and (2) the Operative Date.

- 5.4.5 BJM will, subject to receiving payment of the aggregate Scheme Consideration from FirstRand, administer and effect payment of the Scheme Consideration to you. The payment will be made by cheque, posted by ordinary mail to your registered address, at your risk, alternatively should you so elect in the form of surrender and transfer (*yellow*), by electronic funds transfer into the bank account provided by you in the attached form of surrender and transfer (*yellow*).
- 5.4.6 If the relevant Document(s) of Title are not surrendered, or if the Scheme Consideration is returned undelivered to the Transfer Secretaries, the Scheme Consideration concerned will be held, for a period of three years from the Operative Date, by the Transfer Secretaries on behalf of and for the benefit of the relevant Scheme Participants until claimed. If not claimed within the aforementioned three-year period, the Scheme Consideration will be held in escrow by the Transfer Secretaries for the benefit of the Scheme Participants. No interest will accrue or be paid to a Certificated Scheme Participant in respect of any amounts so held in escrow.
- 5.4.7 Subject to paragraph 5.4.8 below, where, on or subsequent to the Operative Date, a person who was not a registered holder of Scheme Shares on the Record Date of the Scheme tenders to the Transfer Secretaries Document(s) of Title (in negotiable form) together with a form of surrender and transfer (*yellow*) purporting to have been executed by or on behalf of the registered holder of such Shares and, provided that the Scheme Consideration shall not already have been posted or delivered to the registered holder or, if applicable, paid by electronic funds transfer, directly, into the registered holder's bank account, such transfer shall be accepted by FirstRand and BJM as if it were a valid transfer to such person of the Scheme Shares concerned.
- 5.4.8 The Scheme Consideration will be paid to the persons referred to in paragraph 5.4.7 above in accordance with the provisions of paragraphs 5.4.4, 5.4.5 and 5.4.6 within five Business Days of such tender, subject to satisfactory proof being provided to BJM and FirstRand as to the legal ownership of such Shares and, provided that BJM and FirstRand are, if so required by either or both of them, given a duly executed indemnity on terms acceptable to them in respect of the payment of such Scheme Consideration.
- 5.4.9 The Scheme Consideration will be paid in full to you in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which FirstRand and/or BJM may be entitled.

Each Scheme Participant shall, in order to procure delivery of the Scheme Shares to BJM for surrender to FirstRand, be obliged, if (and only to the extent that) any of such Scheme Participant's Scheme Shares are pledged and the name of the pledgee is known to the Scheme Participant, to tender payment or delivery of the Scheme Consideration (limited to so much thereof as is equivalent to the amount outstanding secured by such pledge) against release in full of the pledge.

**If you are a Dematerialised Scheme Participant:**

- 5.4.10 BJM will procure that you have your account with your CSDP or Broker credited on the Operative Date with the Scheme Consideration, in accordance with the mandate entered into between you and your CSDP or Broker.
- 5.4.11 The Scheme Consideration will be paid in full to you in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which FirstRand and/or BJM may be entitled.
- 5.4.12 Each Scheme Participant shall be obliged, if (and only to the extent that) any of such Scheme Participant's Scheme Shares are pledged and the name of the pledgee is known to the Scheme Participant, to tender payment or delivery of the Scheme Consideration (limited to so much thereof as is equivalent to the amount outstanding secured by such pledge) against release in full of the pledge.

**6. Conditions Precedent**

- 6.1 Implementation of the Scheme is subject to the fulfilment or, where possible, the waiver thereof, wholly or partially, by agreement in writing between BJM and FirstRand of the following Conditions Precedent:
- 6.1.1 the Scheme being approved by the requisite majority of Scheme Members;
- 6.1.2 the Scheme being sanctioned by the Court in terms of section 311(2) of the Companies Act;
- 6.1.3 the Order of Court sanctioning the Scheme being registered by the Companies and Intellectual Property Registration Office in terms of section 311(6)(a) of the Companies Act;

- 6.1.4 the approval by the Registrar of Banks being granted for the Scheme to be implemented; and
  - 6.1.5 the Scheme being approved unconditionally as a merger under the Competition Act, by the Competition Authorities or subject to such conditions as FirstRand may approve in writing, such approval not to be unreasonably withheld.
- 6.2 Should all the Conditions Precedent not have been fulfilled or waived, as the case may be, on or before 31 December 2010 or such other date as BJM and FirstRand may agree upon in writing, or should any of the Conditions Precedent become impossible to fulfil prior to that date, the Scheme shall not become operative and shall be of no force or effect. Should this occur, BJM will remain listed on the JSE.
- 6.3 An announcement will be released on SENS and, if practicable, published in the South African press as soon as practicable after the Conditions Precedent have been fulfilled or waived.

## 7. Effects of the Scheme

- 7.1 With effect from the Operative Date, Scheme Participants will, be deemed to have:
- 7.1.1 subject to payment of the Scheme Consideration, disposed of their Scheme Shares to FRIHL which will be deemed to have acquired ownership of the Scheme Shares;
  - 7.1.2 authorised and instructed BJM against and subject to payment of the Scheme Consideration to cause the Scheme Shares to be transferred to and registered in the name of FRIHL on or at any time after the Operative Date and to take all such steps and sign all such documents as may be necessary to procure such transfer and registration;
  - 7.1.3 instructed BJM as principal, but with the power to appoint agents, to procure that the Scheme Consideration be paid to the Scheme Participants in accordance with the provisions of the Scheme;
  - 7.1.4 in the case of Dematerialised Scheme Participants, instructed and authorised every CSDP or Broker to transfer, subject to and against receipt of the Scheme Consideration, the Dematerialised Scheme Participants' Shares to FRIHL in the manner contemplated in section 91A(4)(a) of the Companies Act; and
  - 7.1.5 agreed to the termination of the listing of the Shares on the securities exchange operated by the JSE.
- 7.2 Upon the Scheme becoming operative, Scheme Participants shall be entitled to receive the Scheme Consideration from BJM or its nominee only in accordance with the provisions of paragraph 5.4 above and paragraph 5 of the Scheme.
- 7.3 The effect of the Scheme will be that FRIHL will, with effect from the Operative Date and subject to and against receipt by the Scheme Participants of the Scheme Consideration, become the beneficial owner of the Scheme Shares.
- 7.4 With effect from the Operative Date, the Transfer Secretaries will irrevocably be deemed to be appointed the attorney and agent *in rem suam* of each Scheme Participant to implement the transfer and registration referred to in paragraph 7.1 above and paragraph 3 of the Scheme and to sign any instrument of transfer in respect thereof or any other documents required to implement the Scheme and to give effect to such transfer and registration, including taking all steps necessary to procure electronic delivery of any Scheme Shares which have been Dematerialised.
- 7.5 The market and financial information relevant to the Scheme is set out in paragraph 3 of the valuation statement.

## 8. Exchange Control Regulations

Annexure 5 to this Circular contains a summary of the Exchange Control Regulations as they may apply to Scheme Participants. Scheme Participants who are not resident in, or who have registered addresses outside of South Africa, must satisfy themselves that they comply with the laws of each jurisdiction to which they may be subject concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due.

## 9. Opinions, recommendations and undertakings

- 9.1 The BJM Board has appointed an independent sub-Committee, comprising non-executive directors other than A R Martin, to consider, assess, negotiate and carry out any obligations that may be required of them on behalf of BJM regarding the Scheme.
- 9.2 PWC has been appointed by the sub-Committee to provide independent advice to the sub-Committee on the terms and conditions of the Scheme.
- 9.3 PWC, in its capacity as Independent Expert to the sub-Committee, has advised the sub-Committee that it is of the opinion that the terms and conditions of the Scheme are fair to BJM Shareholders. The text of the letter from PWC is set out in Annexure 4 to this Circular.
- 9.4 The Board, excluding A R Martin has considered the terms and conditions of the Scheme and the opinion provided by PWC and the opinion of the sub-Committee and is of the opinion that the terms and conditions of the Scheme are fair and reasonable to BJM Shareholders and recommends that BJM Shareholders should vote in favour of the Scheme at the Scheme Meeting.
- 9.5 All directors, who own Shares, directly or indirectly, intend to vote in favour of the Scheme at the Scheme Meeting.

## 10. Authorship

The joint authors of this Explanatory Statement are the BJM Board and the FirstRand Board, assisted by their advisors as stipulated in this Circular.

For and on behalf of

For and on behalf of

**BARNARD JACOBS MELLET HOLDINGS LIMITED**

**FIRSTRAND LIMITED**

**A M Mazwai**  
*Chief Executive Officer*

**J P Burger**  
*Director*

who warrants that he is duly authorised hereto in terms of a power of attorney signed by each director of BJM

who warrants that he is duly authorised hereto in terms of a resolution passed by the Board of directors of FirstRand

Johannesburg  
30 July 2010

Johannesburg  
30 July 2010



**Barnard Jacobs Mellet  
Holdings Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
JSE share code: BJM ISIN: ZAE000014262



**FIRSTRAND**

**FirstRand Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010753/06)  
JSE share code: FSR ISIN: ZAE000066304

**Scheme of Arrangement proposed by FirstRand between BJM and its members  
in terms of section 311 of the Companies Act**

**Directors of BJM**

J A Bester (*Chairman*)<sup>^</sup>  
H S C Bester<sup>^</sup>  
A R Martin<sup>^</sup>  
A M Mazwai\* (*Chief Executive Officer*)  
T S Seopa<sup>^</sup>  
L Wilson\*

\* Executive  
<sup>^</sup> Non-executive

**Directors of FirstRand**

L L Dippenaar (*Chairman*)<sup>^</sup>  
P K Harris<sup>^</sup>  
S E Nxasana (*Chief Executive Officer*)\*  
V W Bartlett<sup>^</sup>  
J P Burger (*Chief Financial Officer and  
Chief Operating Officer*)\*  
L Crouse<sup>^</sup>  
P M Goss<sup>^</sup>  
N N Gwagwa<sup>^</sup>  
K B Schoeman<sup>^</sup>  
A P Nkuna<sup>^</sup>  
A T Nzimande<sup>^</sup>  
D Premnarayan\*  
R K Store<sup>^</sup>  
B J van der Ross<sup>^</sup>  
M H Visser<sup>^</sup>  
J H van Greuning<sup>^</sup>  
E G Matenge-Sebesho<sup>^</sup>  
W R Jardine<sup>^</sup>  
J J H Bester<sup>^</sup>

\* Executive  
<sup>^</sup> Non-executive

**1. Share capital of BJM**

The authorised and issued share capital of BJM, at the Last Practicable Date, is set out in the table below:

	<b>R'000</b>
<b>Authorised share capital</b>	
500 000 000 Shares	<b>5 000</b>
<b>Issued share capital</b>	
100 000 000 Shares	1 000
Less: 24 665 326 Shares held by the BJM Group in treasury stock <sup>(1)</sup>	(247)
75 334 675 Shares in issue, net of treasury stock	753
<b>Share premium</b>	<b>55 643</b>
<b>Total issued share capital and share premium</b>	<b>56 396</b>
Reconciliation of number of Shares eligible to vote on the Scheme:	
Shares in issue	<b>100 000 000</b>
Less: Shares held by PCS (treasury stock)	<b>(10 000 000)</b>
<b>Total number of Shares eligible to vote</b>	<b>90 000 000</b>

**Note 1:** At 31 March 2010, the last financial year-end of the Company, 24 665 326 Shares were classified as treasury shares for accounting purposes and shown as such in the annual financial statements. 11 449 448 of these Shares are held by Snowy Owl – BJM’s empowerment partner which was funded by BJM. 3 215 878 are Shares issued in terms of the BJM Share Incentive Scheme and will be entitled to vote in the Scheme. 10 000 000 Shares are actual treasury shares which, pursuant to the BJM Securities Transaction will be held by a subsidiary of BJM called PCS and are therefore not entitled to vote in terms of section 39 of the Companies Act.

All of the issued Shares in the Company are of one class, rank *pari passu* in all respects and are listed under the “Financial Services” sector on the Main Board of the securities exchange operated by the JSE.

## **2. The objective of the Scheme**

The objective of the Scheme is to procure that, upon the Scheme becoming operative, FRIHL will acquire the Scheme Shares, whereafter BJM will delist from the JSE.

## **3. The Scheme**

**3.1** The Scheme will be put to the vote at the Scheme Meeting, which is currently scheduled for 10:00 on Monday 23 August 2010 (or such other time and date to which it may be adjourned) at the registered office of BJM, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196 (or such other venue, the details of which will be released on SENS and, if in the discretion of the chairperson practicable, published in the South African press). The Scheme Meeting will be convened in terms of the Order of Court, a copy of which is set out on pages 63 to 65 of this Circular. The notice convening the Scheme Meeting is attached to and forms part of this Circular.

**3.2** Section 311(2)(b) of the Companies Act requires that the Scheme be approved by a majority representing not less than three-fourths of the votes exercisable by Scheme Members who are present and voting, either in person or by proxy, at the Scheme Meeting. In terms of section 39 of the Companies Act, PCS is not entitled to vote at the Scheme Meeting, and the percentage of votes able to be cast at the Scheme meeting will be reduced by the number of Shares held by PCS.

**3.3** Each Certificated Scheme Member and Dematerialised Scheme Member with Own-Name Registration can attend, and vote in person at the Scheme Meeting or give a proxy to someone else (including the chairperson of the Scheme Meeting) to represent him at the Scheme Meeting. The form of proxy must be received by the Transfer Secretaries no later than 10:00 on Thursday 19 August 2010 or handed to the chairperson of the Scheme Meeting no later than ten minutes prior to the commencement of the Scheme Meeting. Dematerialised Scheme Members who are not registered with Own-Name Registration and who do not wish to attend and vote at the Scheme Meeting, but who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in accordance with the mandate governing their relationship.

**3.4** Dematerialised Scheme Members, who are not registered with Own-Name Registration, or Certificated Scheme Members whose Shares are held through a nominee, can contact their CSDP or Broker, or nominee, as the case may be, to obtain a letter of representation to allow them to attend in person, speak and vote at the Scheme Meeting or to obtain a letter of representation for someone else to represent them at the Scheme Meeting.

**3.5** Scheme Members entitled to attend, speak and vote at the Scheme Meeting pursuant to paragraphs 3.3 and 3.4 above will be given an opportunity to state their views at the Scheme Meeting.

**3.6** Subject to the Scheme being approved by the requisite majority of Scheme Members at the Scheme Meeting, application will be made to the Court for an Order sanctioning the Scheme at 10:00, or so soon thereafter as Counsel may be heard, on Tuesday 31 August 2010 or, if the chairperson adjourns the Scheme Meeting, the first Tuesday (or if that Tuesday is a public holiday, the first day thereafter) on which the matter can be set down for hearing in terms of the rules of Court after the expiry of the seven calendar-day period contemplated in paragraph 8 of the Order of Court. Scheme Members are entitled to attend the Court hearing in person or to be represented thereat by Counsel and to be heard concerning any objection they may have regarding the Scheme. Dematerialised Scheme Members, other than those with Own-Name Registration, may contact their CSDP or Broker to obtain a letter of representation to allow them to attend in person or be represented by Counsel thereat and to be heard concerning any objection they may have regarding the Scheme.

**3.7** With effect from the Operative Date, Scheme Participants will be deemed to have:

**3.7.1** subject to payment of the Scheme Consideration, disposed of their Scheme Shares to FRIHL and FRIHL will be deemed to have acquired ownership of the Scheme Shares;

- 3.7.2 authorised and instructed BJM, against and subject to payment of the Scheme Consideration, to cause the Scheme Shares to be transferred and registered in the name of FRIHL on or at any time after the Operative Date and to take all such steps and sign all such documents as may be necessary to procure such transfer and registration;
- 3.7.3 instructed BJM as principal, but with the power to appoint agents, to procure that the Scheme Consideration be paid to the Scheme Participants in accordance with the provisions of the Scheme;
- 3.7.4 in the case of Dematerialised Scheme Participants, instructed and authorised every CSDP or Broker to transfer, subject to and against receipt of the Scheme Consideration, the Dematerialised Scheme Participants' shares to FRIHL in the manner contemplated in section 91A(4)(a) of the Companies Act; and
- 3.7.5 agreed to the termination of the listing of the Shares on the securities exchange operated by the JSE.

**3.8** The mechanics of the Scheme are as follows:

- 3.8.1 upon the Scheme becoming operative, Scheme Participants will be entitled to receive, from BJM or its nominee, as contemplated in paragraph 5 below, the Scheme Consideration;
- 3.8.2 FirstRand will, on or before the Record Date of the Scheme, make payment of the Scheme Consideration to BJM, as principal, or to BJM's nominee. Settlement of the Scheme Consideration due and payable to the Scheme Participants will be effected by BJM or its agent;
- 3.8.3 subject to the Scheme becoming operative and against the surrender by Certificated Scheme Participants of their Document(s) of Title (in negotiable form), and against confirmation by the Transfer Secretaries being received that the Scheme Shares of the Dematerialised Scheme Participants are to be delivered electronically, payment of the Scheme Consideration to the Scheme Participants will be made as provided for in paragraphs 5.9 to 5.11 below;
- 3.8.4 delivery by FirstRand to BJM, as principal (or to BJM's nominee), of the Scheme Consideration shall be the sole and exclusive manner of discharge by FirstRand of its obligations in respect of the Scheme Consideration;
- 3.8.5 the rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against BJM only. Such rights will only be enforceable against BJM to the extent that BJM or its nominee has received the Scheme Consideration from FirstRand. Scheme Participants will, in turn, be entitled to require BJM to enforce its rights in terms of the Scheme against FirstRand;
- 3.8.6 BJM irrevocably undertakes in favour of the Scheme Participants to enforce all its rights in terms of the Scheme against FirstRand;
- 3.8.7 the effect of the Scheme will be that FRIHL will, with effect from the Operative Date, and subject to and against payment of the Scheme Consideration, become the beneficial owner of all the Scheme Shares;
- 3.8.8 Document(s) of Title held by Certificated Scheme Participants in respect of the Scheme Shares will cease to be valid and of any value and shall not be good for delivery with effect from the Operative Date, other than for surrender in terms of paragraph 5 below;
- 3.8.9 with effect from the Operative Date, the Transfer Secretaries will irrevocably be deemed to be the attorney and agent *in rem suam* of each Scheme Participant to implement the transfer and registration referred to in paragraph 3.7.2 above and to sign any instrument of transfer in respect thereof or any other documents required to implement the Scheme and to give effect to such transfer and registration, including taking all steps necessary to procure electronic delivery of the Scheme Shares which have been Dematerialised; and
- 3.8.10 each Scheme Participant shall be obliged, if (and only to the extent that) any of such Scheme Participant's Scheme Shares are pledged and the name of the pledgee is known to the Scheme Participant, to tender payment or delivery of the Scheme Consideration (limited to so much thereof as is equivalent to the amount outstanding secured by such pledge) against release in full of the pledge.



#### 4. Conditions Precedent

- 4.1 Implementation of the Scheme is subject to the fulfilment (or, where possible, the waiver thereof, wholly or partially, by agreement in writing between BJM and FirstRand of the following Conditions Precedent:
- 4.1.1 the Scheme being approved by the requisite majority of Scheme Members;
  - 4.1.2 the Scheme being sanctioned by the Court in terms of section 311(2) of the Companies Act;
  - 4.1.3 the Order of Court sanctioning the Scheme being registered by the Companies and Intellectual Property Registration Office in terms of section 311(6)(a) of the Companies Act;
  - 4.1.4 the approval by the Registrar of Banks being granted for the Scheme to be implemented; and
  - 4.1.5 the Scheme being approved unconditionally as a merger under the Competition Act, by the South African Competition Authorities or subject to such conditions as FirstRand may approve in writing, such approval not to be unreasonably withheld.
- 4.2 Should all the Conditions Precedent not have been fulfilled or waived, as the case may be, on or before 31 December 2010 or such other date as BJM and FirstRand may agree upon in writing, or should any of the Conditions Precedent become impossible to fulfil prior to that date, the Scheme shall not become operative and shall be of no force or effect. Should this occur, BJM will remain listed on the JSE.
- 4.3 An announcement will be released on SENS and, if practicable, published in the South African press as soon as practicable after the Conditions Precedent have been fulfilled or waived.

#### 5. Surrender of Document(s) of Title

##### **The surrender of Document(s) of Title only applies to Certificated Scheme Participants.**

- 5.1 If you are a Certificated Scheme Participant, you must surrender your Document(s) of Title (in negotiable form) together with the duly completed forms of surrender and transfer (*yellow*) in order to receive the Scheme Consideration.
- 5.2 Certificated Scheme Participants who wish to anticipate the Scheme becoming operative and expedite receipt of the Scheme Consideration should complete the attached form of surrender and transfer (*yellow*) and return same to the Transfer Secretaries, together with their Document(s) of Title (in negotiable form) so as to be received by the Transfer Secretaries by no later than 12:00 on the Record Date of the Scheme.
- 5.3 Alternatively, Certificated Scheme Participants may wait until the Scheme becomes operative, and surrender their Document(s) of Title (in negotiable form) under cover of the completed form of surrender and transfer (*yellow*) at that time or instruct their Brokers accordingly.
- 5.4 If your Document(s) of Title (in negotiable form) in respect of Certificated Shares are surrendered in advance of the Scheme becoming operative, it will not be possible to dematerialise those Shares thereafter. In addition, no dematerialisation or rematerialisation of Shares may take place after Friday 1 October 2010.
- 5.5 No receipts will be issued for Document(s) of Title surrendered unless specifically requested in writing.
- 5.6 If you are a Certificated Shareholder and you surrender your Document(s) of Title (in negotiable form) in anticipation of the Scheme becoming operative, such documents will be held in trust by the Transfer Secretaries pending the Scheme becoming operative. Should the Scheme not become operative for any reason whatsoever, then the Transfer Secretaries will, within five Business Days of the date upon which it becomes known that the Scheme will not become operative, return your Document(s) of Title, by ordinary mail, to your registered address, at your risk.
- 5.7 If your Document(s) of Title have been lost or destroyed and you produce evidence to this effect to the satisfaction of both BJM and FirstRand, then BJM and FirstRand may dispense with the requirement of the surrender of Document(s) of Title (in negotiable form) against the provision of a duly executed indemnity approved by BJM and FirstRand, a copy of which indemnity is obtainable from the Transfer Secretaries.
- 5.8 Shares may only be traded on the securities exchange operated by the JSE in Dematerialised form. Scheme Participants who elect to retain their physical share certificates need **not** submit their share certificates for dematerialisation in order to participate in the Scheme.

## **Settlement of the Scheme Consideration**

- 5.9** If the Scheme becomes operative, Scheme Participants will be entitled to the Scheme Consideration against delivery to the Transfer Secretaries of their Scheme Shares.
- 5.10** Discharge of the Scheme Consideration in terms of paragraph 5.12 or 5.19 below to any Scheme Participant shall constitute full and proper discharge by FirstRand of the Scheme Consideration to that Scheme Participant.
- 5.11** Payment of the Scheme Consideration may be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5 to this Circular.

### **If you are a Certificated Scheme Participant:**

- 5.12** If you have properly executed the attached form of surrender and transfer (*yellow*) and delivered it, together with the relevant Document(s) of Title (in negotiable form) as set out in paragraph 5.1 above and, subject to paragraph 5.10 above:
- 5.12.1** before 12:00 on the Record Date of the Scheme, payment of the Scheme Consideration will be effected by cheque sent to you by ordinary mail to your registered address, at your risk, alternatively, if you so elect by completing the relevant section in the form of surrender and transfer (*yellow*), by way of electronic funds transfer into the bank account stipulated by you in the form of surrender and transfer (*yellow*), such posting or payment, as the case may be, to be effected within five Business Days of the Operative Date; or
- 5.12.2** after 12:00 on the Record Date of the Scheme, the Scheme Consideration will be paid to you by cheque sent by ordinary mail to your registered address, at your risk, alternatively, if you so elect by completing the relevant section in the form of surrender and transfer (*yellow*), by way of electronic funds transfer into the bank account stipulated by you in the form of surrender and transfer (*yellow*), such posting or payment, as the case may be, to be effected within five Business Days of the later of: (1) the date of receipt of the completed form of surrender and transfer (*yellow*) together with your Document(s) of Title (in negotiable form) by the Transfer Secretaries, and (2) the Operative Date.
- 5.13** BJM will, subject to receiving payment of the aggregate Scheme Consideration from FirstRand, administer and effect payment of the Scheme Consideration to you. The payment will be made by cheque, posted by ordinary mail to your registered address at your risk, alternatively, should you so elect in the form of surrender and transfer (*yellow*), by electronic funds transfer into the bank account provided by you in the attached form of surrender and transfer (*yellow*).
- 5.14** If the relevant Document(s) of Title are not surrendered, or if the Scheme Consideration is returned undelivered to the Transfer Secretaries, the Scheme Consideration concerned will be held, for a period of three years from the Operative Date, by the Transfer Secretaries on behalf of and for the benefit of the relevant Scheme Participants until claimed. If not claimed within the aforementioned three year period, the Scheme Consideration will be held in escrow by the Transfer Secretaries for the benefit of the Scheme Participants. No interest will accrue or be paid to a Certificated Scheme Participant in respect of any amounts so held in escrow.
- 5.15** Subject to paragraph 5.16 below where, on or subsequent to the Operative Date, a person who was not a registered holder of Scheme Shares on the Record Date of the Scheme tenders to the Transfer Secretaries Document(s) of Title (in negotiable form) together with a form of surrender and transfer (*yellow*) purporting to have been executed by or on behalf of the registered holder of such shares and, provided that the Scheme Consideration shall not already have been posted or delivered to the registered holder or, if applicable, paid by electronic funds transfer directly into the registered holder's bank account, such transfer shall be accepted by FirstRand and BJM as if it were a valid transfer to such person of the Scheme Shares concerned.
- 5.16** The Scheme Consideration will be paid to the person referred to in paragraph 5.15 above in accordance with the provisions of paragraphs 5.12, 5.13 and 5.14 above, within five Business Days of such tender, subject to satisfactory proof being provided to BJM and FirstRand as to the legal ownership of such Shares and, provided that BJM and FirstRand are, if so required by either or both of them, given a duly executed indemnity on terms acceptable to them in respect of the payment of such Scheme Consideration.
- 5.17** The Scheme Consideration will be paid in full to you in accordance with the terms of the Scheme and, without regard to any lien, right of set-off, counterclaim or other analogous right to which FirstRand and/or BJM and/or FRIHL may be entitled.

**5.18** Each Scheme Participant shall, in order to procure delivery of the Scheme Shares to BJM for surrender to FRIHL, be obliged, if (and only to the extent that) any of such Scheme Participant's Scheme Shares are pledged and the name of the pledgee is known to the Scheme Participant, to tender payment or delivery of the Scheme Consideration (limited to so much thereof as is equivalent to the amount outstanding secured by such pledge) against release in full of the pledge.

**If you are a Dematerialised Scheme Participant:**

**5.19** BJM will procure that you have your account with your CSDP or Broker credited on the Operative Date with the Scheme Consideration, in accordance with the mandate entered into between you and your CSDP or Broker.

**5.20** The Scheme Consideration will be paid in full to you in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which FirstRand and/or BJM and/or FRIHL may be entitled.

**5.21** Each Scheme Participant shall be obliged, if (and only to the extent that) any of such Scheme Participant's Scheme Shares are pledged and the name of the pledgee is known to the Scheme Participant, to tender payment or delivery of the Scheme Consideration (limited to so much thereof as is equivalent to the amount outstanding secured by such pledge) against release in full of the pledge.

**6. Suspension and termination of listing of Shares on the JSE**

Subject to the fulfilment or waiver, as the case may be, of the Conditions Precedent and the Scheme becoming operative, the JSE has granted approval for the suspension of the listing of the Shares with effect from the commencement of trade on Monday 4 October 2010 and for the termination of the listing of Shares at the commencement of trading on Tuesday 12 October 2010.

**7. Undertakings by BJM, FirstRand and FRIHL**

**7.1** BJM, FirstRand and FRIHL have agreed that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and they will sign and/or procure the signature of all documents and/or procure the carrying out of all acts that are necessary and within their power to give effect to the Scheme.

**7.2** BJM shall be entitled as principal to institute action against FirstRand, and/or FRIHL to compel FirstRand and/or FRIHL to: (i) timeously comply with the obligations imposed on it in terms of the Scheme as set out in this Circular and (ii) pay the Scheme Consideration to BJM or its agent in accordance with paragraph 3.8.2 above, or, on behalf of Scheme Participants, to claim and recover damages from FirstRand and/or FRIHL that they may have suffered by reason of the failure of FirstRand and/or FRIHL to comply with any or all of its obligations described in this paragraph 7.2.

**8. Instructions and authorities**

**8.1** BJM shall be entitled to accept and act on all documents relating to the status and capacity of any Scheme Participant and shall be empowered to act on behalf of any Scheme Participant as if such documents had been registered with BJM.

**8.2** Each mandate and instruction in regard to Scheme Shares recorded with BJM at the Record Date will be deemed, unless and until revoked, to be a mandate and instruction to BJM and FirstRand in respect of any rights accruing in respect of the Scheme Consideration.

**9. General**

**9.1** The Scheme Meeting may not agree to any modification: (a) which if effected, will be detrimental to the rights of the Scheme Participants and (b) without the prior written consents of BJM and FirstRand. Subject to obtaining the prior written approval of FirstRand, the Board may consent:

*9.1.1* before or at the Scheme Meeting, to any amendment, variation or modification of the Scheme;  
or

*9.1.2* after the Scheme Meeting, to any amendment, variation or modification of the Scheme which the Court may think fit to approve or impose or as may be required by the SRP and/or the JSE,

provided that neither FirstRand nor the Board shall unreasonably withhold its consent in respect of any such amendment, variation or modification lawfully required by the SRP and/or the JSE and further provided that such amendment, variation or modification made after the Scheme Meeting may not have the effect of diminishing the rights which will accrue to the Scheme Participants in terms of the Scheme.

- 9.2** A Scheme Member's instructions to his or her proxy must be indicated by the insertion of the relevant number of votes exercisable by the Scheme Member in the appropriate box provided on the form of proxy. Failure to comply with the above will be deemed to authorise and direct the chairperson of the Scheme Meeting, if the chairperson of the Scheme Meeting is the authorised proxy, to vote in favour of the Scheme, or any other proxy to vote or abstain from voting at the Scheme Meeting as he or she deems fit, in respect of all the Scheme Members' votes exercisable at the Scheme Meeting.
- 9.3** Notwithstanding that a Scheme Member indicates that the Scheme may not be modified, the chairperson (if the chairperson is the authorised proxy) or any other proxy shall nevertheless be entitled to agree to a modification of the Scheme in terms of which the Scheme Consideration is increased.
- 9.4** If a Scheme Member fails to indicate whether the Scheme may be approved, with or without modification, or fails to indicate the manner and the extent of any proposed modification, such failure shall be deemed to authorise the chairperson of the Scheme Meeting or any other proxy, if the chairperson deems fit, to agree to the Scheme, with or without modification as he or she deems fit, in respect of all the Scheme Member's votes exercisable at the Scheme Meeting.
- 9.5** The chairperson of the Scheme Meeting may accept any form of proxy which is completed and/or received, other than in accordance with these provisions, provided that the chairperson is satisfied as to the manner in which the Scheme Member concerned wishes to vote.
- 9.6** If the form of surrender and transfer is not signed by the Scheme Participant, the Scheme Participant will be deemed to have irrevocably appointed the Company secretary of BJM to implement that Scheme Participant's obligations under the Scheme on his or her behalf.
- 9.7** A certificate signed by a director of each of BJM and FirstRand stating that all the Conditions Precedent have been fulfilled and/or waived and that the Scheme has become operative, shall be binding on BJM, FirstRand and the Scheme Participants.
- 9.8** The costs of the Scheme, including fees payable to professional advisors and printing and publishing costs, will be borne by BJM and FirstRand.
- 9.9** Subject to the fulfilment or waiver of the Conditions Precedent, once the Order of Court sanctioning the Scheme has been registered in terms of the Companies Act, the Scheme will constitute the contract entitling each Scheme Participant to the Scheme Consideration and the Scheme will be binding on all Scheme Participants, even those who may have voted against it.
- 9.10** All dates and times are subject to such changes as may be agreed to by BJM and FirstRand or required by the JSE and/or the SRP and, if necessary, approved by the Court, the JSE and/or the SRP. Any change will be advised to Shareholders by release on SENS and, if practicable, published in the South African press.

For and on behalf of

**BARNARD JACOBS MELLET HOLDINGS LIMITED**

**A M Mazwai**  
*Chief Executive Officer*

who warrants that he is duly authorised hereto in terms of a power of attorney signed by each director of BJM

Johannesburg  
30 July 2010

For and on behalf of

**FIRSTRAND LIMITED**

**J P Burger**  
*Director*

who warrants that he is duly authorised hereto in terms of a resolution passed by the Board of directors of FirstRand

Johannesburg  
30 July 2010



## **Barnard Jacobs Mellet Holdings Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
JSE share code: BJM ISIN: ZAE000014262



## **FIRSTRAND**

## **FirstRand Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010753/06)  
JSE share code: FSR ISIN: ZAE000066304

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### **Valuation statement in terms of section 312(1)(a)(ii) of the Companies Act**

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#### **Directors of BJM**

J A Bester (*Chairman*)<sup>^</sup>  
H S C Bester<sup>^</sup>  
A R Martin<sup>^</sup>  
A M Mazwai\* (*Chief Executive Officer*)  
T S Seopa<sup>^</sup>  
L Wilson\*

\* Executive  
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#### **Directors of FirstRand**

L L Dippenaar (*Chairman*)<sup>^</sup>  
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Chief Operating Officer*)\*  
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P M Goss<sup>^</sup>  
N N Gwagwa<sup>^</sup>  
K B Schoeman<sup>^</sup>  
A P Nkuna<sup>^</sup>  
A T Nzimande<sup>^</sup>  
D Premnarayan\*  
R K Store<sup>^</sup>  
B J van der Ross<sup>^</sup>  
M H Visser<sup>^</sup>  
J H van Greuning<sup>^</sup>  
E G Matenge-Sebesho<sup>^</sup>  
W R Jardine<sup>^</sup>  
J J H Bester<sup>^</sup>

\* Executive  
<sup>^</sup> Non-executive

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#### **1. Introduction**

FRIHL wishes to acquire the Scheme Shares. The mechanism by which this is to be achieved is through the Scheme.

If the Scheme becomes operative, Scheme Participants will be entitled to receive the Scheme Consideration.

The introduction and rationale for the Scheme are set out in paragraphs 1 and 2 of the Explanatory Statement commencing on page 13 of this Circular.

#### **2. Financial information relating to BJM**

The historical financial information relating to BJM for the four financial years ended 31 March 2010 is set out in Annexure 1 to this Circular.

The *Pro forma* statement of comprehensive income and statements of the financial position of BJM pursuant to the BJM Securities Transaction, as extracted from the BJM Securities Transaction circular dated Friday 18 June 2010, is set out in Annexure 2 and the trading history of the Shares on the securities exchange operated by the JSE is set out in Annexure 3 to this Circular.

### 3. Market and financial information

The table below sets out information regarding the price at which the Shares traded prior to the publication of the cautionary announcement or the Firm Intention Announcement in relation to the Scheme Consideration, as well as a comparison of the Scheme Consideration to the net asset value and net tangible asset value per BJM Share at 31 March 2010, being BJM's most recent financial year end.

Note that this table will not be affected by the BJM Securities Transaction.

	<b>Rand per Share</b>	<b>Scheme Consideration (R)</b>	<b>Premium (%)</b>
Closing market price per Share on Friday 18 June 2010 <sup>(1)</sup>	3.81	4.50	18.1
30-day VWAP prior to Friday 18 June 2010 <sup>(2)</sup>	3.82	4.50	17.7
60-day VWAP prior to Friday 18 June 2010 <sup>(2)</sup>	3.68	4.50	22.3
90-day VWAP prior to Friday 18 June 2010 <sup>(2)</sup>	3.46	4.50	29.9
Net asset value per Share at 31 March 2010 <sup>(3)</sup>	4.46	4.50	0.9

**Notes:**

1. Closing price of a Share on the securities exchange operated by the JSE on Friday 18 June 2010, being the day prior to the release by BJM of the cautionary announcement on SENS.
2. 30-day, 60-day and 90-day VWAPs at Friday 18 June 2010, being the date prior to the release by BJM of the cautionary announcement on SENS.
3. Net asset value per Share at financial year end of 31 March 2010 as per the BJM annual report.

### 4. Taxation considerations

The tax treatment of Scheme Participants is dependent on their individual circumstances and on the tax jurisdiction applicable to such Scheme Participants. It is recommended that Scheme Participants seek appropriate professional advice in this regard.

### 5. Share capital of BJM

The authorised and issued share capital of BJM, at the Last Practicable Date, is set out in the table below:

	<b>R'000</b>
<b>Authorised share capital</b>	
500 000 000 Shares	<b>5 000</b>
<b>Issued share capital</b>	
100 000 000 Shares	1 000
<i>Less:</i> 24 665 325 Shares held by the BJM Group as treasury stock <sup>(1)</sup>	(247)
75 334 675 Shares in issue, net of treasury stock	753
<b>Share premium</b>	55 643
<b>Total</b>	<b>56 396</b>
Reconciliation of number of Shares eligible to vote on the Scheme:	
Shares in issue	<b>100 000 000</b>
<i>Less:</i> Shares held by PCS (treasury stock)	<b>(10 000 000)</b>
Total number of Shares eligible to vote	<b>90 000 000</b>

**Note 1:** At 31 March 2010, the last financial year end of the Company, 24 665 326 Shares were classified as treasury shares for accounting purposes and shown as such in the annual financial statements. 11 449 448 of these Shares are held by Snowy Owl – BJM's empowerment partner which was funded by BJM. 3 215 878 are Shares issued in terms of the BJM Share Incentive Scheme and will be entitled to vote in the Scheme. 10 000 000 Shares are actual treasury shares which, pursuant to the BJM Securities Transaction, will be held by a subsidiary of BJM called PCS and are therefore not entitled to vote in terms of section 39 of the Companies Act.

All of the issued Shares in the Company are of one class, rank *pari passu* in all respects and are listed under the "Financial Services" sector on the Main Board of the securities exchange operated by the JSE.

**6. Material changes**

At the Last Practicable Date, the BJM Board is not aware of any material changes in the financial or trading position of BJM since the date of the audited financial results released on 3 June 2010.

The BJM Securities Transaction which was released on SENS on 3 May 2010 was disclosed in the latest audited financial results released on 3 June 2010.

**7. Authorship**

The authors of this valuation statement are the BJM Board and the FirstRand Board assisted by their advisors listed in this Circular.

For and on behalf of

For and on behalf of

**BARNARD JACOBS MELLET HOLDINGS LIMITED**

**FIRSTRAND LIMITED**

**A M Mazwai**

*Chief Executive Officer*

who warrants that he is duly authorised hereto in terms of a power of attorney signed by each director of BJM

**J P Burger**

*Director*

who warrants that he is duly authorised hereto in terms of a resolution passed by the Board of directors of FirstRand

Johannesburg  
30 July 2010

Johannesburg  
30 July 2010



**FIRSTRAND**

**Barnard Jacobs Mellet  
Holdings Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
JSE share code: BJM ISIN: ZAE000014262

**FirstRand Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010753/06)  
JSE share code: FSR ISIN: ZAE000066304

**Statement of directors' interests  
in terms of section 312(1)(a)(iii) of the Companies Act**

**Directors of BJM**

J A Bester (*Chairman*)^  
H S C Bester^  
A R Martin^  
A M Mazwai\* (*Chief Executive Officer*)  
T S Seopa^  
L Wilson\*

**Directors of FirstRand**

L L Dippenaar (*Chairman*)^  
P K Harris^  
S E Nxasana (*Chief Executive Officer*)\*  
V W Bartlett^  
J P Burger (*Chief Financial Officer and  
Chief Operating Officer*)\*  
L Crouse^  
P M Goss^  
N N Gwagwa^  
K B Schoeman^  
A P Nkuna^  
A T Nzimande^  
D Premnarayen\*  
R K Store^  
B J van der Ross^  
M H Visser^  
J H van Greuning^  
E G Matenge-Sebesho^  
W R Jardine^  
J J H Bester^

\* Executive

^ Non-executive

\* Executive

^ Non-executive

**1. The interests of BJM and its directors in BJM Shares**

At the Last Practicable Date the direct, and indirect, beneficial interests of the directors of BJM and their associates in the issued ordinary share capital of BJM are as follows:

<b>Director</b>	<b>Beneficial direct</b>	<b>Beneficial indirect</b>	<b>Percentage of issued share capital<sup>(1)</sup></b>
A M Mazwai	805 500	8 394 597	12.21
L Wilson	159 400	65 000	0.30
H S C Bester	–	–	–
J A Bester	–	–	–
A R Martin	–	–	–
T S Seopa	–	–	–
	<b>964 900</b>	<b>8 459 597</b>	<b>12.51</b>

**Note 1:** Net of treasury shares as set out in paragraph 5 on page 28.

In terms of the existing BJM Share Incentive Scheme, the following stock grants are outstanding to BJM directors:

A M Mazwai	717 000 Shares
L Wilson	285 600 Shares



In terms of the BJM Share Incentive Scheme, the Shares due to directors will have an accelerated vesting period as per the rules of the BJM Share Incentive Scheme and will be settled in cash once the Scheme becomes unconditional. The directors have indicated that they intend to vote in favour of the Scheme in respect of all Shares held by them.

No changes have occurred in the directors' interests since the date of the annual financial statements for the year ended 31 March 2010, other than the vesting of deferred stock grants for the following directors:

Name of director	A M Mazwai	L Wilson
Date of grant	1 August 2008	1 August 2008
Number of securities	167 500	65 800
Grant price per share	R4.25	R4.25
Total value	R711 875	R279 650
Vesting date	9 July 2010	9 July 2010
Vesting period	24 months from date of grant	24 months from date of grant
Class of securities	Ordinary shares	Ordinary shares
Interest	Direct beneficial	Direct beneficial

The directors' emoluments will not change as a consequence of the Scheme.

No director has or had any interest, directly or indirectly, in any contract which was concluded by the BJM Group during the current financial year or in respect of any previous financial year and which remains in any respect outstanding or unperformed, save as disclosed in Annexure 6 to this Circular.

## 2. The interests of BJM and its directors in FirstRand shares

- 2.1 At the Last Practicable Date, Hendrik Bester held 12 600 shares (0.0%) in RMB Holdings Limited. These are held indirectly via a family trust by two separate asset managers.
- 2.2 At the Last Practicable Date, Thabo Seopa held 2 000 shares (0.0%) in RMB Holdings Limited and 1 200 shares (0.0%) in FirstRand. These are held on a direct, beneficial basis.
- 2.3 A R Martin was a director of Hyphen Technologies (Proprietary) Limited and Credit Factory (Proprietary) Limited, both members of the FirstRand Group and, accordingly, recused himself from all discussions regarding the offer from FirstRand. No other BJM directors held any interest in FirstRand.

## 3. The interests of FirstRand and FRIHL and their directors in BJM Shares

- 3.1 On the Last Practicable Date, neither FirstRand nor FRIHL held BJM Shares.
- 3.2 On the Last Practicable Date, none of the directors of FirstRand or FRIHL and their associates held any interest in BJM Shares. Lauritz Lanser Dippenaar indicated that he has given a full discretionary mandate to the Black Truffle Fund which might own some BJM Shares.
- 3.3 On the last practicable date, Paul Kenneth Harris indicated that he has given a full discretionary mandate to an investment fund which might own some BJM Shares.

## 4. BJM directors' service agreements

None of the BJM directors have service contracts in place. However, the executive directors have restraint of trade agreements in place. A M Mazwai's restraint ends on 1 March 2014 and L Wilson's restraint ends on 30 April 2014.

## 5. Authorship

The authors of this statement of directors' interests are the BJM Board and the FirstRand Board assisted by their advisors listed in this Circular.

For and on behalf of

For and on behalf of

### **BARNARD JACOBS MELLET HOLDINGS LIMITED**

### **FIRSTRAND LIMITED**

**A M Mazwai**  
*Chief Executive Officer*

**J P Burger**  
*Director*

who warrants that he is duly authorised hereto in terms of a power of attorney signed by each director of BJM

who warrants that he is duly authorised hereto in terms of a resolution passed by the Board of directors of FirstRand

Johannesburg  
30 July 2010

Johannesburg  
30 July 2010



## **Barnard Jacobs Mellet Holdings Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
JSE share code: BJM ISIN: ZAE000014262



## **FIRSTRAND**

## **FirstRand Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010753/06)  
JSE share code: FSR ISIN: ZAE000066304

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### **Additional information required by the SRP**

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#### **1. History and nature of the business of BJM**

BJM is a South African-listed holding company of stock broking and affiliated businesses. The company is listed on the stock exchange operated by the JSE in the “Financial Services” sector.

In April 2010, BJM celebrated its 25th anniversary. The business was founded in 1985 as Jan Silvis & Co, a Johannesburg-based stockbroker focused on institutional business. Sustained growth resulted in a series of name changes, culminating in the adoption of the BJM brand identity. Client needs drove growth and, in 1991, a US business was launched. UK operations began in 1993. Expansion into retail services occurred in 2000 with the launch of PCS, an event attended by former President Nelson Mandela.

Strong black economic empowerment credentials were secured in 2004 through the acquisition of Mazwai & Co. Securities. Diversification continued in 2007 when BJM entered the corporate finance and advisory field following the acquisition of Quaestor Capital, subsequently rebranded as BJM Corporate Finance. Growth of the BJM brand is supported by the growth of BJM’s South African footprint. In addition to offices in Illovo, Johannesburg, regional offices have been established in Durban, George, Constantia and Tyger Valley, Cape Town.

BJM is noted for its intellectual property and innovative solutions. BJM is also known for prudent management and sustained growth. Profits have been recorded for 25 successive years.

#### **2. Details of the BJM Securities Transaction**

##### **2.1 Background and details of the BJM Securities Transaction**

During 2009 and 2010, the BJM Board undertook to effect a strategy that would improve the competitive platform of the BJM Group and create or unlock value for Shareholders.

Pursuant to such strategy, RenCap Securities has made an offer to acquire the entire issued share capital of BJM Securities, for a Maximum Cash Consideration of R207 million, subject to the fulfilment of certain conditions as set out in the circular to BJM Shareholders dated Friday 18 June 2010.

Post the Effective Date of the BJM Securities Transaction, which was Tuesday 13 July 2010, the businesses of the listed BJM entity will include the private client operations and some smaller businesses as set out in paragraph 2.2 below.

##### **2.2 Post the Effective Date, BJM will consist of:**

- PCS, an independent private wealth manager and stockbroker, with approximately 12 000 active clients and some R35 billion under administration;
- Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited, a provider of JSE sponsor, corporate finance and corporate advisory services;
- Barnard Jacobs Mellet Insurance Brokers (Proprietary) Limited, a provider of short-term insurance solutions to BJM clients;
- Finsettle Services (Proprietary) Limited, which offers settlement, administration and scrip lending services;

- Barnard Jacobs Mellet (USA) LLC, which comprises research, research sales and sales trading to institutional investors in North America; and
- Barnard Jacobs Mellet UK Limited, which comprises research sales and sales trading to institutional investors in Europe.

### 2.3 *Pro forma* financial effects of the BJM Securities Transaction.

The *pro forma* statement of comprehensive income and statement of financial position of BJM pursuant to the BJM Securities Transaction are set out below in Annexure 2 to this Circular.

### 3. Cash confirmation

FirstRand has provided the SRP with a cash confirmation in respect of the Scheme Consideration and the SRP has approved the cash confirmation in terms of Rule 2.3.2(b) and Rule 21.7 of the Code.

### 4. Suspension and termination of listing of Shares on the securities exchange operated by the JSE

Subject to the fulfilment or waiver (as the case may be) of the Conditions Precedent listed in paragraph 4 on page 23 and the Scheme becoming operative, the JSE has granted approval for the suspension of the listing of BJM's Shares with effect from the commencement of trading on Monday 4 October 2010 and termination of the listing of BJM's Shares at the commencement of trading on Tuesday 12 October 2010.

### 5. Undertakings to vote in favour of the Scheme

At the Last Practicable Date, undertakings to vote in favour of the Scheme have been received from the following Shareholders (who are eligible) to vote in favour of the Scheme;

Shareholder	Expiry date	Number of Shares	Percentage <sup>(1)</sup>
Allan Gray Limited	31 August 2010	23 752 708	26.4
Snowy Owl	15 September 2010	11 499 448	12.8
Merset Beleggings (Eiendoms) Beperk	15 September 2010	10 494 180	11.7
Coronation Asset Management (Proprietary) Limited	15 September 2010	6 293 032	7.0
Hermes Asset Management	15 September 2010	3 681 920	4.1
		<b>55 721 288</b>	<b>61.9</b>

**Note 1:** Calculated in terms of the Shares eligible to vote.

As Allan Gray Limited, Coronation Asset Management (Proprietary) Limited and Hermes Asset Management are asset managers, certain Shares are held on behalf of clients where the clients retain the discretion to vote the Shares, but the asset manager has the discretion to make an investment decision in respect of the Shares.

### 6. Major beneficial Shareholders

At the Last Practicable Date, there was no controlling Shareholder and the following Shareholders (excluding directors), beneficially and indirectly, held an interest of 5% or more of the issued share capital of BJM, based on 100 000 000 Shares in issue.

Shareholder	Number of Shares	Percentage
Allan Gray Limited	23 752 708	23.75
Snowy Owl	11 499 448	11.50
PCS (treasury shares)	10 000 000	10.00
Coronation Asset Management (Proprietary) Limited	6 295 133	6.30
Foord Compass Limited	5 440 045	5.44
	<b>67 542 148</b>	<b>67.54</b>

There has been no change in the controlling Shareholders of BJM and its subsidiaries during the previous five years.

As far as the Board is aware, no Shareholder/s or group of Shareholders control BJM.

## **7. Special arrangements**

- 7.1 No arrangements, undertakings or agreements have been made between FirstRand and any member of the BJM Group, or any persons acting in concert with any of them, in relation to the Scheme;
- 7.2 No arrangements or undertakings (including any compensation arrangements), which have any connection with or dependence on the Scheme, exist between FirstRand or any person acting in concert with FirstRand and any director of any member of the BJM Group, or any person who was a director of any member of the BJM Group within the period commencing 12 months prior to the Last Practicable Date, or any person who is or was a shareholder in any member of the BJM Group within the period commencing 12 months prior to the Last Practicable Date; and
- 7.3 No arrangements have been made between any member of the BJM Group, on the one hand, and any of the directors of FirstRand, on the other hand, in connection with the Scheme.

## **8. No set-off of Scheme Consideration**

Settlement of the Scheme Consideration will be implemented in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which FirstRand or BJM may be entitled.

## **9. Share trading history**

The share trading history of BJM on the securities exchange operated by the JSE is set out in Annexure 3 to this Circular.

## **10. Litigation statement**

At the Last Practicable Date, the Board confirms that there were no legal or arbitration proceedings that may have, or have had, during the 12 month period preceding the Last Practicable Date, a material effect on the financial position of the BJM Group. BJM is not aware of any such proceedings that are pending or threatened.

## **11. Material changes**

At the Last Practicable Date, the BJM Board is not aware of any material changes in the financial or trading position of BJM since the date of the audited financial results released on 3 June 2010.

The BJM Securities Transaction, details of which were released on SENS on 3 May 2010 and in terms of which RenCap Securities, acquired the entire issued share capital of BJM Securities, for a Maximum Cash Consideration of R207 million was disclosed in the latest audited financial results released on 3 June 2010.

## **12. Material contracts**

None of the BJM directors or any of its subsidiaries (including BJM Securities) has entered into, verbally or in writing, any material contract, either within the last two years; or at any time which contains an obligation or settlement that is material to BJM or any of its subsidiaries (including BJM Securities) at the date of this Circular, other than:

- the acquisition from W Coetzee of Equilibrium (Proprietary) Limited, a short-term insurance broker, on 1 September 2008 for R1 032 000;
- the acquisition from K Coetzer of Quadro Executive Estate Planning (Proprietary) Limited, a Johannesburg trust and fiduciary services company, on 1 April 2009 for R3 469 000; and
- the acquisition from Neofin Insurance Brokers (Proprietary) Limited of the entire short-term insurance book carried on by Neofin Insurance Brokers (Proprietary) Limited, on 1 May 2010 for R2 154 649.

Neither BJM nor any of its subsidiaries has entered into any material asset contract during the last three years, other than the BJM Securities Transaction.

The Board confirms that no contracts entered into by any member of the BJM Group at any time contain an obligation or settlement that is material to the BJM Group at the Last Practicable Date.

## **13. Consents**

The merchant bank and sponsor to FirstRand, attorneys to FirstRand, attorneys to BJM, Transfer Secretaries, sponsor to BJM, the independent sponsor to BJM, corporate advisor to BJM as well as the Independent Expert, have consented in writing to act in the capacities stated and to their names appearing in this Circular and have not withdrawn their consents prior to the publication of this Circular.

The Independent Expert to the Board has given and has not withdrawn its consent to the issue of this Circular, with the report in the form and context in which it is included.

#### 14. Directors' responsibility statement

The BJM directors, whose names appear in this Circular, have considered statements of fact and opinion in this Circular relating to BJM and accept, collectively and individually, full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the SRP Code.

The FirstRand directors, whose names appear in this Circular, have considered statements of fact and opinion in this Circular relating to FirstRand and FRIHL and accept, collectively and individually, full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made. In addition, based on confirmation from the FirstRand professional advisors, the FirstRand directors confirm that this Circular contains all information required by law and the SRP Code.

#### 15. Costs of the Scheme

The costs of the Scheme, including fees payable to professional advisors and printing and publishing costs, will be borne by FirstRand and BJM.

#### 16. Documents available for inspection

The following documents, or copies of such documents, will be available for inspection at the registered office of BJM situated at 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196, during normal office hours from Friday 30 July 2010 up to and including 31 August 2010, being the date on which application will be made to the Court for the sanctioning of the Scheme:

- 16.1 a signed copy of this Circular;
- 16.2 the Order of Court convening the Scheme Meeting;
- 16.3 the audited financial statements of BJM Group for each of the four financial years ended 31 March 2010;
- 16.4 the *pro forma* financial information relating to the BJM Securities Transaction;
- 16.5 the memoranda and articles of BJM and its subsidiaries;
- 16.6 the fairness opinion from PWC, Independent Expert to the Board, regarding the fairness of the Scheme;
- 16.7 written consents from the merchant bank and sponsor to FirstRand, attorneys to FirstRand, attorneys to BJM, Transfer Secretaries, sponsor to BJM, the independent sponsor, corporate advisor to BJM as well as the Independent Expert, for the inclusion of their names and reports in this Circular in the form and context in which they appear;
- 16.8 the undertakings as per paragraph 5 above; and
- 16.9 the circular to BJM Shareholders regarding the BJM Securities Transaction, dated 18 June 2010.

For and on behalf of

**BARNARD JACOBS MELLET HOLDINGS LIMITED**

**A M Mazwai**  
*Chief Executive Officer*

who warrants that he is duly authorised hereto in terms of a power of attorney signed by each director of BJM

Johannesburg  
30 July 2010

For and on behalf of

**FIRSTRAND LIMITED**

**J P Burger**  
*Director*

who warrants that he is duly authorised hereto in terms of a resolution passed by the Board of directors of FirstRand

Johannesburg  
30 July 2010

## Historical audited financial information

### FINANCIAL INFORMATION FOR THE YEARS ENDED 31 MARCH 2010, 31 MARCH 2009, 31 MARCH 2008 AND 31 MARCH 2007

The following financial information has been extracted without adjustment from the group audited financial statements of BJM for the financial years ended 31 March 2010, 31 March 2009, 31 March 2008 and 31 March 2007. These financial statements were audited by KPMG Inc.

#### Statement of comprehensive income for the years ended 31 March 2010, 31 March 2009, 31 March 2008 and 31 March 2007

	Group			
	2010 R'000	2009 R'000	2008 R'000	2007 R'000
Operating income	237 934	236 430	474 569	371 421
Interest income	15 171	21 146	44 316	35 976
<b>Revenue</b>	253 105	257 576	518 885	407 397
Profit on sale of investments	20	-	156	71 938
<b>Total income</b>	253 125	257 576	519 041	479 335
Operating costs	(230 880)	(214 531)	(419 050)	(318 281)
<b>Operating profit before finance costs</b>	22 245	43 045	99 991	161 054
Finance costs	(9 853)	(6 905)	(17 043)	(1 267)
Income from investments	39	-	-	33
<b>Profit before tax</b>	12 431	36 140	82 948	159 820
Income tax expense	(8 208)	(15 625)	(28 709)	(46 864)
<b>Profit from continued operations</b>	4 223	20 515	54 239	112 956
Reallocation of costs, net of income tax	(7 720)	(9 150)	-	-
<b>Adjusted profit from continued operations</b>	(3 497)	11 365	54 239	112 956
Profit from discontinued operations	16 770	18 548	-	-
<b>Profit for the year</b>	13 273	29 913	54 239	112 956
<b>Other comprehensive income</b>				
Exchange differences in translating foreign operations	(26 982)	943	17 017	26 461
Fair-value adjustment on available-for-sale instruments	28	(27)	(6)	27 947
Profit realised on sale of available-for-sale instruments	-	-	(1 730)	(68 437)
Income tax on other comprehensive income	(4)	4	347	5 776
<b>Other comprehensive income for the year, net of income tax</b>	(26 958)	920	15 628	(8 253)
<b>Total comprehensive income for the year</b>	(13 685)	30 833	69 867	104 703
<b>Earnings per Share</b>				
Basic earnings per Share (cents)	18.9	43.1	67.6	136.1
Diluted earnings per Share (cents)	16.1	36.2	57.7	118.1
<b>Continued operations</b>				
Headline earnings per Share (cents)	(5.0)	16.4	-	-
Diluted headline earnings per Share (cents)	(4.2)	13.8	-	-

**Statement of financial position at 31 March 2010, 31 March 2009, 31 March 2008 and 31 March 2007**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Equipment	22 444	33 096	22 531	5 955
Investments	276	511	740	4 081
Investments in equity accounted investees	66	–	–	–
Intangible assets	9 229	19 582	15 658	12 678
Deferred tax assets	8 836	12 601	12 625	10 664
<b>Total non-current assets</b>	<b>40 851</b>	<b>65 790</b>	<b>51 554</b>	<b>33 378</b>
<b>Current assets</b>				
Amounts receivable in respect of stockbroking activities	3 427 244	5 593 804	8 172 137	7 234 741
Margin on derivative financial instruments	–	–	5 832	31 080
Trade and other receivables	43 582	45 482	33 733	60 111
Listed securities holdings	517	723 955	993 422	548 695
Current tax assets	2 784	5 239	2 303	–
Unlisted promissory notes	–	–	–	5 353
Cash and cash equivalents	193 368	200 485	399 068	189 488
Assets classified as held for sale	7 888 785	–	–	–
<b>Total current assets</b>	<b>11 556 280</b>	<b>6 568 965</b>	<b>9 606 495</b>	<b>8 069 468</b>
<b>Total assets</b>	<b>11 597 131</b>	<b>6 634 755</b>	<b>9 658 049</b>	<b>8 102 846</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	753	700	762	833
Share premium	55 643	33 641	52 001	87 856
Non-distributable reserves	27 875	65 619	57 725	38 642
Retained earnings	252 116	249 625	232 689	205 008
<b>Total equity</b>	<b>336 387</b>	<b>349 585</b>	<b>343 177</b>	<b>332 339</b>
<b>Non-current liabilities</b>				
Loans, borrowings and deferred payments	106 886	50 000	56 880	3 239
Deferred tax liabilities	94	1 502	217	2 710
<b>Total non-current liabilities</b>	<b>106 980</b>	<b>51 502</b>	<b>57 097</b>	<b>5 949</b>
<b>Current liabilities</b>				
Amounts payable in respect of stockbroking activities	3 319 306	5 486 488	8 118 475	7 099 758
Listed securities sold short	381	640 853	1 012 821	554 478
Trade and other payables	52 866	101 887	116 479	88 011
Current tax liabilities	1 615	910	9 549	7 223
Shareholders for dividends	210	195	201	194
Bank overdraft	9219	3 335	250	14 894
Liabilities classified as held for sale	7 770 167	–	–	–
<b>Total current liabilities</b>	<b>11 153 764</b>	<b>6 233 668</b>	<b>9 257 775</b>	<b>7 764 558</b>
<b>Total liabilities</b>	<b>11 260 744</b>	<b>6 285 170</b>	<b>9 314 872</b>	<b>7 770 507</b>
<b>Total equity and liabilities</b>	<b>11 597 131</b>	<b>6 634 755</b>	<b>9 658 049</b>	<b>8 102 846</b>
Net asset value per Share (cents)	446.5	499.2	450.4	399.0

## Notes:

### Accounting policies

#### 1. Reporting entity

Barnard Jacobs Mellet Holdings Limited (the “Company”) is a company domiciled in South Africa. The consolidated financial statements of the Company at and for the year ended 31 March 2010 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group companies”).

#### 2. Basis of preparation

##### (a) Statement of compliance

The Company’s and the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), its interpretations adopted by the International Accounting Standards Board (“IASB”), the Listings Requirements of the JSE Limited (“JSE”) and the Companies Act.

The financial statements were approved by the Board of directors on 2 June 2010.

##### (b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following which are measured at fair value:

- financial instruments at fair value through profit or loss;
- available-for-sale financial assets; and
- assets and liabilities classified as held for sale.

The methods used to measure fair values are discussed further in note 4.

##### (c) Functional and presentation currency

The financial statements are presented in Rand, which is the Company’s functional currency. All financial information presented in Rand has been rounded to the nearest thousand.

##### (d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets or liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the relevant notes to the consolidated financial statements.

##### (e) Change in accounting policies and presentation

Starting at 1 April 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments.
- Presentation of financial statements.

##### Determination and presentation of operating segments

As of 1 April 2009 the Group determines and presents operating segments based on the information that internally is provided to the chief executive officer, who is the Group’s chief operating decision-maker. This change in accounting policy is due to the adoption of IFRS 8: Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14: Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.



Comparative segment information has been represented in conformity with transitional requirements of such standards. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per Share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's headquarters) and head office expenses.

#### Presentation of financial statements

The Group applies revised IAS 1: Presentation of Financial Statements, which became effective at 1 April 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been represented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per Share.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the Company's and the consolidated financial statements, and have been applied consistently by Group entities:

#### (a) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The operating results of JSE Limited members are included up to the final trading day determined by the JSE Limited for the month of the Group's financial year-end.

Investments in subsidiaries in the financial statements of the Company are carried at cost less impairment losses.

##### (ii) Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent of strategic financial and operational decision.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity-accounted investee) and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statement includes the Group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds the interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payment on behalf of the investee.

##### (iii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets or liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets or liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised directly in other comprehensive income.

(ii) Foreign operations

The assets or liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rand at exchange rates at the reporting date. The income or expenses of foreign operations are translated to Rand at a rate that approximates the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and are presented within equity in the translation reserve.

When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is recognised in profit or loss.

(c) Equipment

(i) Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is, directly, attributable to the acquisition of the asset.

When parts of an item of equipment have different useful lives, they are accounted for as separate items of equipment.

(ii) Subsequent costs

The cost of replacing part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

(iii) Depreciation

The depreciable amount is calculated as the cost price of the equipment item less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of equipment.

The leasehold improvements are depreciated over the shorter of the lease term and their useful life.

The estimated useful lives for the current and comparative periods are:

Furniture and fittings	6 years
Office equipment	3 years
Computer equipment	3 years
Motor vehicles	5 years
Leasehold improvements	Over the period of the relevant lease

Depreciation methods, useful lives and residual values are re-assessed at each balance sheet date and adjusted, if necessary.

(iv) Gains and losses

Gains or losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the equipment and are recognised net within profit or loss.

(d) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries.

*Acquisitions prior to 1 April 2004*

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after 1 April 2004. In respect of acquisitions prior to this date, goodwill represents the amount recognised under the Group's previous accounting framework, SA GAAP.

*Acquisitions on or after 1 April 2004*

For acquisitions on or after 1 April 2004, goodwill represents the excess of costs of the acquisition over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

*Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss, as incurred.

(iv) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are:

Customer relations	10 years
Computer software	3 years

(e) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, amounts receivable in respect of stockbroking activities, amounts owing by subsidiaries, trade and other receivables, cash and cash equivalents, loans, borrowings and deferred payments, amounts payable in respect of stockbroking activities, amounts owing to subsidiaries, listed securities sold short, trade and other payables and bank overdraft.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or is discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus, directly, attributable transaction costs, except for items carried at fair value through profit or loss which are recognised at fair value. Subsequent to initial recognition these instruments are measured as follows:

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are measured at amortised cost which is equivalent to fair value.

*Held-to-maturity investments*

Where the Group has the positive intent and ability to hold debt securities to maturity, they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

#### *Available-for-sale financial assets*

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains or losses on available-for-sale monetary items, are recognised in other comprehensive income and presented within equity. When these investments are derecognised or impaired, the cumulative gain or loss previously recognised in equity is recognised in profit or loss. Where these instruments are interest bearing, interest calculated using the effective interest method is recognised in profit or loss.

#### *Financial assets at fair value through profit or loss*

An instrument is classified at fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase or sale decisions based on their fair value. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

#### *Other*

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

#### (ii) Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set-off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income or expenses are presented on a net basis only when permitted by the accounting statements, or for gains or losses arising from a group of similar transactions.

#### (f) Share capital

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

##### *Repurchase of share capital*

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes, directly, attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is reported in equity.

##### *Dividends*

Dividends are recognised as a liability in the period in which they are declared.

#### (g) Impairment

##### (i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows of assets or other asset groups. Cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then, to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for an indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Accruals for employee entitlements to salaries and leave pay represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The accruals have been calculated at undiscounted amounts based on current salary rates.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the period in which the employee renders the service.

(iii) Share-based payment transactions

The grant date fair value of stock grants granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the stock grant. The amount recognised as an expense is adjusted to reflect the actual number of stock grants expected to vest.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(j) Revenue

(i) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(ii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(k) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets and financial liabilities at fair value through profit or loss.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets and financial liabilities at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(l) Operating lease payments

Leases of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentive received are recognised as an integral part of the total lease expense, over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payments required to be made to the lessor by way of a penalty are recognised as an expense in the period in which the termination takes place.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to business combinations or items recognised, directly, in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating

to investments in subsidiaries, associates and joint ventures to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Group's chief executive officer include items, directly, attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's headquarters) and head office expenses.

(o) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares, which comprise stock grants to employees and shares issued as part of the BEE transaction.

(p) Trust activities

Some Group companies act in a fiduciary capacity that results in investing assets on behalf of clients. As these are not assets of the Company or Group, they are not reflected on the statements of financial position.

(q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

These financial guarantee contracts are classified as insurance contracts as defined in IFRS 4: Insurance Contracts. A liability is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the contract and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the contract at the reporting date. Where the effect of discounting is material, the liability is discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Liability adequacy tests are performed on financial guarantee contract liabilities to ensure that the carrying amount of the liabilities is sufficient in view of estimated future cash flows. When performing the liability adequacy test, all expected contractual cash flows are discounted and compared to the carrying value of the liability. Where a shortfall is identified, an additional provision is made.

(r) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets or liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group first is allocated to goodwill, and then to the remaining assets or liabilities on a *pro rata* basis, except that no loss is allocated to financial assets or deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(s) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held-for-sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented as if the operation had been discontinued from the start of the comparative period.

#### 4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets or liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) Equipment

The fair value of equipment recognised as a result of a business combination is based on market values. The market value of items of equipment is based on the quoted market prices for similar items.

(b) Intangible assets

The fair value of customer relationships acquired in business combinations is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Non-derivative financial instruments

The fair value of financial instruments at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price for financial assets and their quoted offer price for financial liabilities at the reporting date.

(d) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

#### 5. Financial risk management

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk;
- operational risk; and
- capital management.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these Company and consolidated financial statements.

(b) Risk management framework

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is



responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Group Audit and Risk Committee.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

*Trade and other receivables*

Trade and other receivables are presented net of the allowance for impairment losses. Credit risk with respect to trade and other receivables is limited due to the high credit rating of counterparties.

*Securitised lending facilities*

The Group has no significant concentration of credit risk or exposure to any individual company or counterparty, except for providing securitised lending facilities to some individual retail investors.

Securitised lending, is where the Group effectively provides finance to clients, with their underlying listed equity portfolio as collateral. All securitised lending facilities are approved by the Credit Committee. The amount of collateral required is normally set at two times cover, but may be adjusted by the Credit Committee at their discretion. In the event of diminution in the value of the underlying security held, the Group could request the client to provide extra collateral in the form of equities or cash. The risk of default is mitigated to the extent that existing unfinanced client scrip balances, could be used to cover any shortfalls. These balances are disclosed under amounts receivable in respect of stockbroking activities.

*Investments and listed securities holdings*

The Group limits its exposure to credit risk by only investing in liquid securities trading on a recognised exchange.

*Cash and cash equivalents*

The Group's cash and cash equivalents are placed with high credit quality financial institutions.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses and the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains the following lines of credit:

- R20 million overdraft facility that is unsecured. Interest will be payable at the prime rate.
- An approved Commercial Paper programme facility of R250 million.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Audit and Risk Committee.

#### *Currency risk*

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency, other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar and Pound Sterling.

The Group has no policy of hedging against currency risk, as the activities of the Group are of such a nature that this does not pose a significant risk. The Group ensures that its net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group's investments in foreign subsidiaries are not hedged as those currency positions are considered to be long term in nature.

#### *Interest rate risk*

The Group holds fixed rate instruments that are financial assets held-for-trading. These instruments consist of various long- and short-bond positions. These instruments are traded at a delta of zero and a change in the interest rate would therefore not affect profit or loss.

Other assets which earn or accrue interest do so on a variable rate.

#### *Other market price risk*

Financial assets and liabilities held for trading are positions that are bought out of the need to facilitate some transactions in the fixed income markets.

The risk of price movements in the fixed income markets is mitigated by buying or selling different fixed income instruments ensuring that the underlying delta of the two instruments amounts to zero.

#### (f) Operational risk

Operational risk is the risk of, direct or indirect, loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors, other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally acceptable standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risks in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for reconciliations and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operating losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with the Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Group Audit and Risk Committee and senior management of the Group.

(g) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board of directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on capital in excess of 15%.

From time to time the Group purchases its own shares on the market; primarily intended to be used for the Group's share incentive programme. Buy decisions are made by the Group's directors under the authorisation and conditions set at the annual general meeting of members.

There were no changes in the Group's approach to capital management during the year.

Barnard Jacobs Mellet Securities (Proprietary) Limited, Barnard Jacobs Mellet Private Client Services (Proprietary) Limited and Finsettle Services (Proprietary) Limited are members of the JSE Limited and wholly-owned subsidiaries of the Company. Under the Rules and Regulations of the JSE Limited, member companies should retain a minimum amount of capital at all times to ensure that the members can settle and execute transactions in their normal course of business. The capital adequacy of these two members of the JSE Limited are monitored daily and reported on a monthly basis to the JSE Limited. During the year, these companies maintained adequate capital requirements at all times.

The other wholly-owned subsidiaries are not subject to externally imposed capital requirements.

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***Pro forma statement of comprehensive income and statement of the financial position of BJM pursuant to the BJM Securities Transaction***

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***PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF BJM WHICH HAS BEEN EXTRACTED FROM THE CIRCULAR TO BJM SHAREHOLDERS RELATING TO THE BJM SECURITIES TRANSACTION, DATED 18 JUNE 2010***

The unaudited *pro forma* consolidated statement of financial position has been prepared for illustrative purposes only, to provide information on how the BJM Securities Transaction would have impacted on the results of BJM for the year ended 31 March 2010. The historical results have been prepared in terms of International Financial Reporting Standards.

The financial effects on the net asset value have been based on the value as though the BJM Securities Transaction occurred on 31 March 2010.

The existing accounting policies of BJM have been used in preparing the *pro forma* financial information.

The *pro forma* financial effects are the responsibility of the BJM directors and have been prepared for illustrative purposes only and due to their nature, may not give a true picture, or fairly present, the financial position, changes in equity, and results of operations or cash flow of BJM after the BJM Securities Transaction.

The unaudited *pro forma* financial effects were reviewed by KPMG Inc. who are the reporting accountants for the BJM Securities Transaction.

*Pro forma* consolidated statement of financial position at 31 March 2010 is set out below.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 31 March 2010

		Transaction adjustments			
		Sale of			
		Recreation BJM Securities of assets <sup>1</sup>	BJM Securities assets and liabilities	Settlement of other balances <sup>9</sup>	<i>Pro forma</i>
	Audited* R'000	R'000	R'000	R'000	R'000
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>40 851</b>	3 838	(3 838)	–	<b>40 851</b>
Equipment	22 444	–	–	–	22 444
Investments	276	–	–	–	276
Investment in equity accounted investees	66	–	–	–	66
Intangible assets	9 229	–	–	–	9 229
Deferred tax assets	8 836	3 838 <sup>2</sup>	(3 838) <sup>5</sup>	–	8 836
<b>Current assets</b>	<b>11 556 280</b>	53 420	(7 735 205)	(52 570)	<b>3 821 925</b>
Amounts receivable in respect of stockbroking activities	3 427 244	36 427 <sup>3</sup>	(36 427) <sup>5</sup>	980 <sup>10</sup>	3 428 224
Loan from BJM Securities	–	16 993 <sup>4</sup>	(16 993) <sup>5</sup>	–	–
Trade and other receivables	43 582	–	–	–	43 582
Listed securities holdings	517	–	–	–	517
Current tax assets	2 784	–	–	–	2 784
Cash and cash equivalents	193 368	–	207 000 <sup>6</sup>	(53 550) <sup>9,11 12,13</sup>	346 818
Assets classified as held for sale	7 888 785	–	(7 888 785) <sup>5</sup>	–	–
<b>Total assets</b>	<b>11 597 131</b>	57 258	(7 739 043)	(52 570)	<b>3 862 776</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>336 387</b>	32 338	31 124	(50 343)	<b>349 506</b>
Share capital	753	–	–	–	753
Share premium	55 643	28 500 <sup>3</sup>	–	(28 500) <sup>11</sup>	55 643
Non-distributable reserves	27 875	– <sup>6</sup>	(3 348) <sup>8</sup>	–	24 527
Retained earnings	252 116	3 838 <sup>2</sup>	34 472 <sup>7</sup>	(21 843) <sup>14</sup>	268 583
<b>Non-current liabilities</b>	<b>106 980</b>	–	–	–	<b>106 980</b>
Loans, borrowings and deferred payments	106 886	–	–	–	106 886
Deferred tax liabilities	94	–	–	–	94
<b>Current liabilities</b>	<b>11 153 764</b>	24 920	(7 770 167)	(2 227)	<b>3 406 290</b>
Amounts payable in respect of stockbroking activities	3 319 306	–	–	980 <sup>10</sup>	3 320 286
Listed securities sold short	381	–	–	–	381
Trade and other payables	52 866	–	–	4 396 <sup>13</sup>	57 262
Current tax liabilities	1 615	–	–	17 317 <sup>14</sup>	18 932
Shareholders for dividends	210	–	–	–	210
Bank overdraft	9 219	–	–	–	9 219
Loan from BJM Share Trust	–	7 927 <sup>3</sup>	–	(7 927) <sup>12</sup>	–
Loan from BJM Securities	–	16 993 <sup>4</sup>	– <sup>12</sup>	(16 993) <sup>12</sup>	–
Liabilities classified as held for sale	7 770 167	–	(7 770 167) <sup>8</sup>	–	–
<b>Total liabilities</b>	<b>11 260 744</b>	24 920	(7 770 167)	(2 227)	<b>3 513 270</b>
<b>Total equity and liabilities</b>	<b>11 597 131</b>	57 258	(7 739 043)	(52 570)	<b>3 862 776</b>
Net asset value per Share (cents)	446.5				463.9
Net tangible asset value per Share (cents)	29.8				29.8

\* These figures have been extracted without alteration from the audited annual financial statements of BJM for the year ended 31 March 2010.

**Notes:**

## 1. Recreation of BJM Securities assets

- Certain assets that are being sold as part of the BJM Securities Transaction have been eliminated upon consolidation into the BJM consolidated statement of financial position. These eliminations are required by IFRS. However, since the assets are being sold as part of the BJM Securities Transaction, the elimination journals are reversed to recreate the eliminated assets that are being sold as part of the BJM Securities Transaction. These assets relate to inter-company balance between BJM Securities and BJM which will be settled after the BJM Securities Transaction.

2. A deferred tax asset that has been eliminated on consolidation is recreated to reflect the fact that treasury shares held by BJM Securities are being sold as part of the BJM Securities Transaction. The deferred tax asset relates to the fair value adjustment that has been recognised on the treasury shares owned by BJM Securities.

3. The adjustment to amounts receivable from stockbroking arises from:

- the recreation of the treasury shares worth R28 500 000 owned by BJM Securities which are sold as part of the BJM Securities Transaction;
- the recreation of a loan account of R7 927 000 owing to BJM Securities by the BJM Share Incentive Trust.

Both these inter-company balances have been eliminated from the consolidated figures in accordance with IFRS and are recreated in anticipation of the sale of the BJM Securities shares. The amounts are adjusted to amounts receivable from stockbroking activities in accordance with accounting treatment for such investments by stockbrokers.

4. The loan account owing by BJM to BJM Securities is recreated in anticipation of its sale as part of the BJM Securities Transaction.

5. These adjustments reflect the fact that all the assets of BJM Securities are being sold as part of the BJM Securities Transaction.

6. Receipt of Maximum Cash Consideration of R207 000 000.

7. This adjustment reflects the profit made on the BJM Securities Transaction before taking into account transaction costs. Transaction costs of R4 526 000 will be settled after the BJM Securities Transaction. Please refer to note 14 below. No tax effects have been included since the sale leads to a capital loss being realised.

8. This adjustment reflects the transfer of the liabilities of BJM Securities to the buyer of BJM Securities. The amount of R3 348 000 that is transferred out of non-distributable reserves is a liability of BJM Securities to make share-based payments to employees, have been accounted for in equity in terms of IFRS requirements for share-based payments.

9. Settlement of specified assets and liabilities between BJM and BJM Securities prior to the closing date of the BJM Securities Transaction.

In accordance with the terms of the Transaction the following assets and liabilities will be settled/transferred between BJM and BJM Securities once the shares in BJM Securities have been sold: The net cash effect of these settlements/transfers is R49 024 000; Transaction costs of R4 526 000 are also settled from cash resources.

10. This adjustment reflects the transfer of a client account from BJM Securities, after the BJM Securities Transaction.

11. This adjustment reflects the purchase of BJM Shares owned by BJM Securities prior to the Closing Date. Once purchased from cash resources the Shares are accounted for as treasury shares which reduce share premium.

12. These adjustments reflect the settlement of loan accounts owing to BJM Securities from cash resources.

13. As part of the BJM Securities Transaction certain liabilities of BJM Securities are transferred back to BJM. BJM accepts these liabilities in return for cash consideration equal to the face value of the liabilities, being R4 396 000.

14. The BJM Securities Transaction by BJM triggers a Section 45 Capital Gains Tax liability. In an unrelated transaction BJM elected certain relief provisions in respect of capital gains realised between group companies. Since the BJM Securities Transaction happens within six years of the preceding transaction in respect of which Capital Gains Tax relief was elected anti-avoidance provisions are triggered which provide that the Capital Gains Tax on the preceding transaction becomes payable. The tax expected to become payable is an amount of R17 317 000. The remaining R4 526 000 that has been accounted for in the total adjustment of R21 843 000 relates to transaction costs that are settled after the transaction.

The Board is of the opinion that the Maximum Cash Consideration will be achieved taking into consideration the audited net asset value of BJM Securities of R172 183 225 at 26 March 2010.

***Pro forma consolidated statement of comprehensive income for the year ended 31 March 2010***

The *pro forma* consolidated statement of comprehensive income has been prepared for illustrative purposes only, to provide information on how the BJM Securities Transaction would have impacted on the audited results of BJM for the year ended 31 March 2010, on the assumption that the Transaction took place on 1 April 2009.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 March 2010**

	Audited*	Transaction adjustments		Pro forma
	R'000	Remove BJM Securities R'000	Adjustments R'000	R'000
Operating income	237 934	–	–	237 934
Interest income	15 171	–	–	15 171
<b>Revenue</b>	<b>253 105</b>	<b>–</b>	<b>–</b>	<b>253 105</b>
Profit on sale of investment	20	–	–	20
<b>Total income</b>	<b>253 125</b>	<b>–</b>	<b>–</b>	<b>253 125</b>
Operating costs	(230 880)	–	–	(230 880)
<b>Operating profit before finance costs</b>	<b>22 245</b>	<b>–</b>	<b>–</b>	<b>22 245</b>
Finance costs	(9 853)	–	–	(9 853)
Income from investments	39	–	–	39
<b>Profit before tax</b>	<b>12 431</b>	<b>–</b>	<b>–</b>	<b>12 431</b>
Income tax expense	(8 208)	–	(17 317) <sup>3</sup>	(25 525)
<b>Profit from continued operations</b>	<b>4 223</b>	<b>–</b>	<b>(17 317)</b>	<b>(13 094)</b>
Relocation of costs, net of income tax	(7 720)	–	–	(7 720)
<b>Adjusted profit from continued operations</b>	<b>(3 497)</b>	<b>–</b>	<b>(17 317)</b>	<b>(20 814)</b>
Profit from discontinued operations, net of income tax	16 770	(16 770) <sup>1</sup>	32 615 <sup>4</sup>	32 615
<b>Profit for the year</b>	<b>13 273</b>	<b>(16 770)</b>	<b>15 298</b>	<b>11 801</b>
<b>Other comprehensive income:</b>				
Exchange differences in translating foreign operations	(26 982)	–	–	(26 982)
Fair-value adjustment on available-for-sale instruments	28	(28) <sup>2</sup>	–	–
Income tax on other comprehensive income	(4)	4 <sup>2</sup>	–	–
<b>Other comprehensive income for the period, net of income tax</b>	<b>(26 958)</b>	<b>(24)</b>	<b>–</b>	<b>(26 982)</b>
<b>Total comprehensive income for the year</b>	<b>(13 685)</b>	<b>(16 794)</b>	<b>15 298</b>	<b>(15 181)</b>
Basic earnings per Share (cents)	18.9			16.8
Headline earnings per Share (cents)	24.0			(31.0)
Diluted headline earnings per Share (cents)	20.5			(26.5)

\* These figures have been extracted without alteration from the audited annual financial statements of BJM for the year ended 31 March 2010.

## Reconciliation between earnings and headline earnings for 2010

	Audited 2010 R'000	Transaction adjustments Remove BJM Securities R'000	Adjustments R'000	<i>Pro forma</i> R'000
<b>Headline earnings reconciliation:</b>				
Basic earnings	13 273	(16 770)	15 298	11 801
<i>Adjusted for:</i>				
Loss on disposal of equipment	32	-	-	32
Impairment of goodwill	5 688	-	-	5 688
Profit on sale of investment	(2 152)	2 152	-	-
Profit on sale of subsidiary	-	-	(37 141)	(37 141)
<b>Headline earnings</b>	<b>16 841</b>	<b>(14 618)</b>	<b>(21 843)</b>	<b>(19 620)</b>
Headline earnings per Share (cents)	<b>24.0</b>			<b>(31.0)</b>
Diluted headline earnings per Share (cents)	<b>20.5</b>			<b>(26.5)</b>

### Notes:

#### Transactions adjustments – Remove BJM Securities

The adjustments reflected in the column entitled 'Remove BJM Securities' relate to removing the profits and losses realised by the BJM Securities business on the assumption that the business had been sold on 1 April 2009.

- This adjustment reflects the fact that the profit from the discontinued operation, BJM Securities, would not have been realised if BJM Securities had been sold on 1 April 2009. The difference between the historical profit of BJM Securities as disclosed in Annexure 1, and the profit of R16 770 000 from the discontinued operations as disclosed above is:
  - head office charges of R7 720 000 after tax that will no longer be recovered from BJM Securities and which will be carried by the remaining Group;
  - a dividend of R1 300 000 relating to the treasury shares owned by BJM Securities, which will be transferred to the remaining Group on the conclusion of the transaction.
- The adjustment on available-for-sale instruments is also removed since the R28 000 fair value adjustment relates to JSE Limited shares owned by BJM Securities. The R4 000 positive adjustment is the tax benefit associated with the fair value adjustment.

#### Transaction adjustments – results of sale

The adjustments reflected in this column are adjustments in respect of the direct effects of the sale of the shares in BJM Securities.

- The tax adjustment accounted for relates to additional Capital Gains Tax triggered by section 45 of the Income Tax Act, 1962.
- The adjustment of R32 612 000 is the profit on the Transaction. Included in the profit are Transaction costs of R4 526 000. No tax effects are included since the sale of the shares in BJM Securities creates a capital loss. No tax benefit is recognised in respect of the Transaction costs since the costs are incurred on capital account and are not deductible from taxable income.

#### Further note:

- Above *pro forma* statement of comprehensive income assumes that the sales proceeds of R207 000 000 will be utilised as working capital and therefore no additional interest income or reduction in interest expense has been accounted for. A similar assumption is made with respect to the payment of the Transaction costs and therefore no interest effects have been brought into account for the reduction in cash from the payment of the Transaction costs.

The Board is of the opinion that the Maximum Cash Consideration will be achieved taking into consideration the audited net asset value of BJM Securities of R172 183 225 at 26 March 2010.



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## Share price history

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Set out below is the trading history of BJM Shares on the securities exchange operated by the JSE:

### Highest, lowest and closing prices for each quarter and aggregated quarterly volumes

	High (cents)	Low (cents)	Closing (cents)	Volume
June 2007	700	545	560	9 832 894
September 2007	560	499	520	13 636 448
December 2007	530	419	500	2 768 301
March 2008	497	360	434	6 903 856
June 2008	429	320	375	14 369 632
September 2008	374	290	300	6 815 203
December 2008	300	206	280	9 657 393
March 2009	280	210	250	3 286 636
June 2009	300	241	250	6 444 132
September 2010	310	250	289	2 406 925
December 2010	400	289	340	3 603 718
March 2010	360	275	350	10 469 039
June 2010	440	300	435	6 299 290

### Highest, lowest and closing prices for each month and aggregated monthly volumes

	High (cents)	Low (cents)	Closing (cents)	Volume
June 2009	300	250	250	4 715 920
July 2009	293	250	280	1 621 059
August 2009	300	270	300	453 165
September 2009	310	280	289	332 701
October 2009	400	289	360	1 141 179
November 2009	395	360	375	709 384
December 2009	376	300	340	1 753 155
January 2010	360	320	320	6 100 737
February 2010	320	290	300	1 928 327
March 2010	350	275	350	2 439 975
April 2010	380	330	380	744 811
May 2010	405	300	380	2 119 651
June 2010	440	375	435	3 434 828

**Highest, lowest and closing prices daily and volumes traded**

	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Closing (cents)</b>	<b>Volume</b>
1 June 2010	400	395	400	105 000
2 June 2010	400	400	400	0
3 June 2010	400	390	400	22 650
4 June 2010	400	400	400	110 000
7 June 2010	400	400	400	78 437
8 June 2010	380	380	380	90 061
9 June 2010	380	380	380	0
10 June 2010	385	375	385	12 277
11 June 2010	385	385	385	0
14 June 2010	400	400	400	58 723
15 June 2010	410	400	400	13 000
17 June 2010	400	380	380	119 000
18 June 2010	400	381	381	91 064
21 June 2010	440	400	430	1 511 062
22 June 2010	430	425	430	565 385
23 June 2010	430	425	426	142 530
24 June 2010	430	430	430	100 000
25 June 2010	439	430	430	94 543
28 June 2010	430	430	430	0
29 June 2010	426	421	421	251 064
30 June 2010	438	423	435	70 032
1 July 2010	426	423	423	61 690
2 July 2010	423	423	423	0
5 July 2010	423	423	423	0
6 July 2010	423	423	423	0
7 July 2010	422	420	420	419 464
8 July 2010	422	422	422	521 378

Source: I-Net

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## Independent Expert opinion

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“14 July 2010

The Directors  
Barnard Jacobs Mellet Holdings Limited  
PO Box 6220  
Marshalltown  
Johannesburg  
2107  
South Africa

Dear Directors,

**Opinion in connection with a Scheme of Arrangement in terms of section 311 of the Companies Act, No. 61 of 1973 (“the Act”) (“the Scheme”) proposed by FirstRand Limited (“FirstRand”) between Barnard Jacobs Mellet Holdings Limited (“BJM” or “the Company”) and its Shareholders (“the BJM Shareholders”)**

### 1. Introduction

On 21 June 2010 the BJM shareholders were advised that FirstRand had submitted a firm intention to make an offer to the board of directors of BJM (“the Board”) for it or one of its wholly-owned subsidiaries, to acquire all the ordinary shares in BJM. FirstRand or its subsidiary would acquire all the ordinary shares in BJM from the BJM Shareholders by way of a scheme of arrangement in terms of Section 311 of the Act (“the Firm Intention”).

Subject to the fulfilment of the conditions precedent the Scheme will result in FirstRand Investment Holdings (Proprietary) Limited (“FRIHL”), a wholly-owned subsidiary of FirstRand acquiring all outstanding BJM ordinary shares. The scheme participants will receive the scheme consideration consisting of R4.50 per BJM ordinary share (“the Scheme Consideration”) payable by FirstRand. Providing that the requisite majority of votes by the BJM Shareholders is obtained at the Scheme meeting, 100% of the BJM ordinary shares in issue will be acquired by FRIHL pursuant to the Scheme in terms of the Act and this will result in the delisting of the entire issued share capital of BJM from the JSE Limited securities exchange. The Scheme Consideration will be adjusted downwards proportionately if, and to the extent that, the net cash in BJM is less than R190 million as at the last day of the month immediately preceding the month during which the Scheme is voted on by the Scheme Members. The cash balance mentioned above does not include any money received for the acquisition of treasury shares in terms of the Scheme. In the event the cash balance is more than R210 million the excess cash can be returned to the BJM Shareholders with the approval of FirstRand.

The Securities Regulation Panel Code on Takeovers and Mergers (“the SRP Code”) requires that the board of directors of an offeree company obtains appropriate external advice on any offer as to how it affects all holders of securities, including specifically, where applicable, minority holders of securities. Therefore, the Board has requested PricewaterhouseCoopers Corporate Finance (Proprietary) Limited (“PricewaterhouseCoopers”) to act as independent advisers in terms of the SRP Code and to provide an opinion as to whether the terms and conditions of the Scheme are Fair as far as the BJM Shareholders are concerned.

On 7 April 2010 PricewaterhouseCoopers was appointed by the Board to act as independent advisor in anticipation of an offer by Renaissance Capital for Barnard Jacobs Mellet Securities (Proprietary) Limited (“BJM Securities”), as well as a potential offer from a third party to the shareholders of BJM for the remaining business of the Company. On 21 April 2010 we presented our findings to the Board. FirstRand subsequently submitted the Firm Intention and as a consequence the mandate of PricewaterhouseCoopers was extended to comment on the offer contained in the Firm Intention.

We understand that the results of our work will be used by the Board to satisfy the requirements of the SRP Code.

### 2. Definition of fair

An offer would generally be considered fair if the consideration payable by the investors to the company is equal to, or greater than the market value of the business. Fairness is primarily based on quantitative issues but certain qualitative issues surrounding the particular offer may have to be considered in arriving at our opinion. Even though the consideration may be lower than the market price, the entire transaction may still be fair after considering other significant factors.

This Fairness opinion does not purport to cater for individual shareholders’ positions but rather the general body of shareholders subject to the Scheme. A shareholder’s decision regarding fairness of the

terms of the Scheme may be influenced by his or her particular circumstances (for example taxation and the price paid for the shares). Should a shareholder be in doubt, he or she should consult an independent adviser as to the merits of the Scheme, considering his/her personal circumstances.

### **3. Sources of information**

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from BJM management and from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our indicative valuation include:

- Publicly available information relating to the securities industry obtained from BJM management and public sources;
- BJM Share Incentive Trust Deed;
- Audited financial information for BJM and its subsidiaries for the years ended 31 March 2007, 2008 and 2009;
- Unaudited management accounts for BJM and its subsidiaries as at 31 March 2010;
- Management projections for BJM and its subsidiaries for years ending 31 March 2011 to 2014, including updated budgets for the period ending 31 March 2011;
- Discussions with management regarding effects of the sale of BJM Securities on the remaining operations including the intentions of Renaissance Capital to utilise BJM office space and BJM back-office services;
- Deloitte & Touche Tax draft opinion entitled “South African Tax Implications arising on Disposal of Shares/Business and Liquidation of Companies” dated 30 March 2010 (“Deloitte tax opinion”);
- Bloomberg, Factiva and Reuters for comparable company information, including beta information;
- McGregor BFA for BJM share trading history; and
- Macroeconomic forecasts from various South African banks.

Where practicable, we have corroborated the reasonableness of the information provided to us for the purpose of supporting our opinion, whether in writing or obtained through discussions with management of the Company.

Our procedures and enquiries did not constitute an audit in terms of the International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

### **4. Procedures**

The procedures we performed comprised the following:

- We considered the rationale for the Scheme as represented by the directors and management of the Company;
- We considered the relevant information included in the terms and conditions of the Scheme, as described in the circular;
- We considered the prevailing economic and market conditions in the sector in which the Company operates;
- We held discussions with the management of the Company on information and assumptions pertaining to the Company that were made available by management of the Company;
- We reviewed the Company’s operating and financial results covering three years up to the date of valuation;
- We considered financial and operating projections including revenues, operating margins (e.g. earnings before interest and taxes), and working capital investments, based on the Company’s historical operating results, expectations and management representations. These projections formed the basis of our Income Approach (Discounted cash flow) valuation;
- We obtained and considered financial data for publicly traded companies engaged in the same or similar lines of business to develop appropriate valuation multiples and operating comparisons to apply to the Company; and
- We considered and applied appropriate valuation discounts/premiums to the results of our valuation analyses as deemed applicable.

### **5. Valuation Approach**

In considering the Scheme, PricewaterhouseCoopers performed an independent valuation of the Company. For the purposes of our valuation we used the Income Approach (Discounted Cash Flow) valuation as our primary approach. In addition, we considered the Market Approach as an alternative valuation approach to support the results of our Income Approach analysis.

## 6. Assumptions

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially;
- The Company is not involved in any material legal proceedings;
- The Company has no material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of the Company;
- The disposal of BJM Securities will not give rise to any tax liabilities other than those described in the Deloitte tax opinion;
- The Scheme will not give rise to any undisclosed tax liabilities;
- For the purposes of this engagement, we assumed the Company's existing business to be ongoing under current business plans and management; and
- Representations made by BJM management and their advisors during the course of forming this opinion.

## 7. Opinion

Our opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by BJM's management up to 15 June 2010. Accordingly, subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Based on the results of our procedures performed, our detailed valuation work and other considerations, we believe that the fair market value of a BJM ordinary share is between R4.40 and R4.60. The Scheme Consideration of R4.50 per BJM ordinary share to the BJM Shareholders thus falls within our fair market value range.

In considering the valuation range listed above shareholders should take particular notice of the following factors:

- The actual market value achieved in a specific transaction may be higher or lower than our estimate of the market value range depending upon the circumstances of the transaction (for example strategic considerations of the purchaser), the nature of the business (for example the purchaser's perception of potential synergies);
- The sale of BJM Securities will require BJM to restructure and re-focus its remaining operations. The valuation listed above is based on the best available estimate of the impact of the restructuring at the date of the valuation. The final impact of the restructuring will only be known once the transaction is complete, which may influence the value range noted above; and
- The above market value range represents a standalone valuation of BJM under current management, strategies and business plans.

Subject to the foregoing assumptions, based upon our analysis and after taking into account all financial and non-financial considerations, we are of the opinion that the terms and conditions in respect of the Scheme are fair to the BJM shareholders.

## 8. Independence

We confirm that PricewaterhouseCoopers holds no shares in Renaissance Group, BJM Securities, FirstRand, FRIHL or the Company, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, in Renaissance Group, BJM Securities, FirstRand, FRIHL or the Company or the outcome of the Scheme.

## 9. Limiting conditions

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those projected/forecast by the management of the Company.

This letter and opinion is provided in terms of the requirements of Rule 3 of the SRP Code. It does not constitute a recommendation to any shareholder of the Company as to how to vote at any shareholders' meeting relating to the Scheme or on any matter relating to it, nor as to the acceptance of the Scheme. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this letter, the value range estimate, and opinion are used or relied upon for anything other than its intended purpose.

Yours faithfully

**Jan Groenewald**  
*Director*

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## Exchange Control Regulations

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The following is a summary of the Exchange Control Regulations that may apply to Scheme Participants. If any Scheme Participants have any doubts about the effect or application of the Exchange Control Regulations, they should consult their professional advisors without delay.

### 1. Residents of the Common Monetary Area

- 1.1 In the case of Certificated Scheme Participants whose registered addresses in the Register are within the Common Monetary Area and whose Document(s) of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration will be paid by way of a cheque which will be posted or, should the Certificated Scheme Participant so elect, the Scheme Consideration will be electronically transferred into a bank account stipulated by the Scheme Participant in the form of surrender and transfer (*yellow*).
- 1.2 In the case of Dematerialised Scheme Participants whose registered addresses in the Register are within the Common Monetary Area, the Scheme Consideration will be credited to their account held at their CSDP or Broker.

### 2. Emigrants from the Common Monetary Area

- 2.1 In the case of Certificated Scheme Participants who are emigrants from the Common Monetary Area, the Scheme Consideration will be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Certificated Scheme Participants' blocked assets in terms of the Exchange Control Regulations. The attached form of surrender and transfer (*yellow*) makes provision for the details of the authorised dealer concerned to be inserted. If the information regarding the authorised dealer is not given or the instructions are not given as required, the Scheme Consideration will be held by BJM for the Certificated Scheme Participants concerned, pending receipt of the necessary information or instructions. No interest will be paid on any cash amounts so held.
- 2.2 In the case of Dematerialised Scheme Participants who are emigrants from the Common Monetary Area, the Scheme Consideration will be credited to the account of the relevant Scheme Participants' CSDP or Broker, which shall arrange for the same to be credited, directly, to the Scheme Participants' blocked Rand bank account, held by the Scheme Participants' authorised dealer and held to the order of that authorised dealer.

### 3. All other non-residents of the Common Monetary Area

In the case of Scheme Participants who are non-residents, but who are not emigrants from the Common Monetary Area, whose registered addresses are outside the Common Monetary Area and whose Document(s) of Title have been restrictively endorsed under the Exchange Control Regulations, the Scheme Consideration will:

- 3.1 in the case of Certificated Scheme Participants, be paid by way of a cheque which will be posted to the registered addresses in the Register of the non-residents concerned, unless written instructions to the contrary are received and an address or bank details for electronic transfer are provided. The attached form of surrender and transfer (*yellow*) makes provision for a substitute address or bank details. If the information regarding the authorised dealer is not given or the Scheme Consideration, having been paid by way of a cheque sent by ordinary mail to the Certificated Scheme Participants, is returned, the Scheme Consideration will be held by BJM for the Certificated Scheme Participants concerned pending receipt of the necessary information or instructions. No interest will be paid on the Scheme Consideration so held; or
- 3.2 in the case of Dematerialised Scheme Participants, be credited, directly, to the bank accounts nominated for the relevant Dematerialised Scheme Participants by their duly appointed CSDP or Broker in terms of the provisions of the mandate with their CSDP or Broker.

All CSDPs or Brokers with whom shares have been Dematerialised should note that they are required to comply with the Exchange Control Regulations set out above.

## Details of the directors of BJM and Executive Committee members

### 1. Directors

As at the Last Practicable Date, the Board comprised of the following individuals:

Name and age	Business address	Position	Principal activities
<b>Executive directors</b>			
A M Mazwai (38) Nationality: South African	24 Fricker Road Illovo Corner, Illovo Johannesburg, 2196	Chief Executive Officer	Chief Executive Officer, Executive Committee member, Member of Remuneration and Nominations Committee
L Wilson (40) Nationality: South African	24 Fricker Road Illovo Corner, Illovo Johannesburg, 2196	Chief Operating Officer and the Director responsible for financial Information	Chief Operating Officer, the Director responsible for financial information and Executive Committee member
<b>Non-executive directors</b>			
J A Bester (64) Nationality: South African	24 Fricker Road Illovo Corner, Illovo Johannesburg, 2196	Non-Executive Chairman	Chairman of the Board, Chairman of Remuneration and Nominations Committee
H S C Bester (59) Nationality: South African	24 Fricker Road Illovo Corner, Illovo Johannesburg, 2196	Non-Executive Director	Member of Audit and Risk Committee
A R Martin (72) Nationality: South African	24 Fricker Road Illovo Corner, Illovo Johannesburg, 2196	Non-Executive Director	Chairman of Audit and Risk Committee
T S Seopa (45) Nationality: South African	24 Fricker Road Illovo Corner, Illovo Johannesburg, 2196	Non-Executive Director	Member of Audit and Risk Committee, Member of Remuneration and Nominations Committee

#### **Curriculae vitae of directors:**

##### **Andile Mancobo Mazwai**

Andile, the Group chief executive officer, began his stockbroking career with BJM Securities in 1998. Andile serves as a non-executive director on the board of directors of the JSE, Arengo 129 (Proprietary) Limited, Nombasa Nominees (Proprietary) Limited, Barnard Jacobs Mellet Securities (Proprietary) Limited, Goldia Investment Holdings (Proprietary) Limited, Harwood Kirsten Leigh McCoy (Proprietary) Limited, Snowy Owl Properties 299 (Proprietary) Limited and Structured Investments Limited. He is also deputy chairman of the board of governors of Kearsney College.

##### **Lionel Wilson**

Lionel, the chief operating officer and director responsible for financial information, joined BJM in 1998, initially as financial manager. He completed his articles with one of the big four auditing firms and gathered early managerial experience in the chemical manufacturing industry. Lionel, a member of the Executive Committee, was appointed to the Board in March 2009. Lionel is also a director of Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited, Barnard Jacobs Mellet OTC Systems (Proprietary) Limited, Barnard Jacobs Mellet Private Client Services (Proprietary) Limited, Barnard Jacobs Mellet Securities (Proprietary) Limited, BJM Insurance Brokers (Proprietary) Limited, Finsettle Nominees (Proprietary) Limited, Finsettle Services (Proprietary) Limited, Gardenview Nominees (Proprietary) Limited and Jan Silvis Nominees (Proprietary) Limited.

### **John Andrew Bester**

The Chairman was a partner of Ernst & Young for 10 years and is a former financial director of the Norwich Holdings Group. He is a non-executive director of 130 Strand Street Cape Town (Proprietary) Limited, AA The Motorist Publications (Proprietary) Limited, Norwich Life Policyholders Company Limited, WP Developments (Proprietary) Limited and Western Province Rugby (Proprietary) Limited. He chairs the Audit Committees of several companies.

### **Hendrik Schalk Conradie Bester**

Hendrik is an independent, non-executive director and serves in a similar capacity on the board of directors of Vukile Property Fund Limited. He is also a director of HSC Bester (Proprietary) Limited. In the past, he has sat on numerous boards. For 29 years Hendrik was with Sanlam Limited, serving as managing director of various business units.

### **Alwyn Reginald Martin**

Alwyn is an independent, non-executive director of BJM and Chairman of the Audit and Risk Committee. He is also a director of Dark Capital (Proprietary) Limited, Datacentrix Holdings Limited, ER24 Holdings (Proprietary) Limited, Hyphen Technology (Proprietary) Limited\*, MediClinic Corporation Limited, Medi-Clinic Southern Africa Limited, Northam Platinum Limited, Nozala Investments (Proprietary) Limited, Old School Investments (Proprietary) Limited, Petmin Limited, SSI Engineers and Environmental Consultants (Proprietary) Limited, Stewart Scott International Holdings (Proprietary) Limited and The Credit Factory (Proprietary) Limited\*.

\* These two companies are members of the FirstRand Group. Mr A R Martin, accordingly, recused himself from all discussions regarding the offer from FirstRand.

### **Thabo Stanley Moloko Seopa**

Thabo is Managing Director of Trudon (Proprietary) Limited, a local commercial advertising company. He gathered financial sector experience during an eight-year tenure as an investment banker with global banks UBS and HSBC. In addition, Thabo has worked in executive positions in the accounting and finance area with South African Breweries, NSB and Tongaat Aluminium. He is a trustee of the Children's Hospital Foundation Trust and a director of Awande Capital Partners (Proprietary) Limited and Labango Investment (Proprietary) Limited.

## **2. Additional Executive Committee members**

### **Koos van Niekerk**

Koos rejoined the BJM Group as chief executive officer of Finsettle Services in 2009. He started his career in a global auditors and advisory firm and thereafter furthered his financial services experience and expertise in the management of a major global banking and financial services group. Koos has served as trustee of the group pension funds of two listed groups.

### **Jan van Staden**

Jan is Head of BJM Private Clients and Chairman of its Investment Committee. Before joining BJM Securities in 1998 he was senior portfolio manager as SMK Securities and prior to that he was senior portfolio manager, private clients and fiduciary entities at Standard Bank. Jan is a certified financial planner and holds a post-graduate Diploma in Financial Planning. He is a member of the Financial Planning Institute and the Investment Analyst Society.



**IN THE SOUTH GAUTENG HIGH COURT  
(JOHANNESBURG)**

**CASE NO: 2010/28541**

**P/H NO: 344**

JOHANNESBURG, **27 July 2010**  
BEFORE THE HONOURABLE **JUDGE SULDULKER**

In the *ex parte* application of:

**BARNARD JACOBS MELLET HOLDINGS LIMITED**

**Applicant**

**HAVING** read the documents filed of record and having considered the matter:

**IT IS ORDERED THAT:**

1. Draft Order marked "X" signed and dated 27th July 2010 is made an Order of Court.

BY THE COURT

REGISTRAR

/bbn

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**PH 344**

**X**

**IN THE HIGH COURT OF SOUTH AFRICA**

**27/7/2010**

**(South Gauteng, Johannesburg)**

**Case number: 10/28541**

Before the Honourable Justice  
on Tuesday 27 July 2010

In the *ex parte* application of:

**Barnard Jacobs Mellet Holdings Limited**

**Applicant**

(Registration number 1995/004798/06)

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**ORDER OF COURT**

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Upon the motion of counsel for the Applicant and having read the notice of motion and the other documents filed on record:

**IT IS ORDERED THAT:**

1. a meeting ("**Scheme Meeting**") in terms of section 311(1) of the Companies Act, 61 of 1973, as amended ("**Companies Act**"), of the registered ordinary shareholders of the Applicant reflected in the Applicant's share register on the record date for voting (as defined in the Scheme of Arrangement ("**Scheme**") contained in Annexure "**FA2**" to the founding affidavit in this matter ("**Scheme Members**"), be convened by the chairperson referred to in paragraph 2 below, subject to any adjournment, on Monday 23 August 2010 at 10:00 at the registered office of the Applicant, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196 or such other venue, the details of which will be released on SENS and, if in the discretion of the chairperson practicable, published in the South African press, for the purpose of considering and, if deemed fit, of approving, with or without modification, the Scheme proposed by FirstRand Limited, ("**FirstRand**"), between the Applicant and the Scheme Members;
2. Mervyn Taback or, failing him, Lourens van Staden, both directors of Mervyn Taback Inc, be and is hereby appointed as chairperson of the Scheme Meeting;
3. the chairperson is authorised to:
  - 3.1 convene the Scheme Meeting;
  - 3.2 appoint scrutineers for the purpose of the Scheme Meeting and any adjournment thereof;
  - 3.3 determine:
    - 3.3.1 the validity or otherwise of any form of proxy lodged for use at the Scheme Meeting and any adjournment thereof;
    - 3.3.2 the procedure to be followed at the Scheme Meeting and any adjournment thereof;

- 3.4 adjourn the Scheme Meeting from time to time (with the need for publication, timing and distribution thereof being at the discretion of the chairperson) if the chairperson considers it necessary or desirable to do so; and
  - 3.5 accept the forms of proxy (*pink*) to be handed to the chairperson by not later than ten minutes before the Scheme Meeting (or any adjournment thereof) is due to commence;
4. a notice convening the Scheme Meeting (substantially in the form of Annexure “**FA4**” to this application) be published by the Applicant once in each of the Government Gazette, Business Day, Beeld, Sunday Times and Rapport in South Africa, at least fourteen calendar days before the date of the Scheme Meeting. Each of the said notices shall state:
    - 4.1 the basic characteristics of the Scheme;
    - 4.2 the scheduled time, date and venue of the Scheme Meeting;
    - 4.3 that the Scheme Meeting has been convened for the purposes of considering and, if thought fit, agreeing, with or without modification, to the Scheme;
    - 4.4 a copy of this Order, the Scheme and the Explanatory Statement in terms of section 312(1)(a)(i) of the Companies Act may be inspected at, and copies may be obtained free of charge from, the registered office of the Applicant, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196 during normal business hours at any time prior to the Scheme Meeting;
    - 4.5 the Scheme Meeting has been summoned in terms of this Order;
5. copies of:
    - 5.1 the Scheme and the Explanatory Statement in terms of section 312(1)(a)(i) of the Companies Act substantially in the form of the scheme and explanatory statement attached to the papers before the Court;
    - 5.2 the notice convening the Scheme Meeting (substantially in the form of Annexure “**FA4**” to this application) stating the scheduled time, date and place of the Scheme Meeting;
    - 5.3 the form of proxy (*pink*) to be used at the Scheme Meeting (substantially in the form of the proxy attached to the papers before the Court); and
    - 5.4 this Order,
 shall be sent by the Applicant by pre-paid post at least fourteen calendar days before the date of the Scheme Meeting to:
    - (i) each of the Scheme Members (other than the holders of Dematerialised Shares) at the addresses reflected in the Applicant’s Register of members, including the sub-Register, at the close of business on Wednesday 28 July 2010 or on a date not more than seven calendar days before the date of such posting; and
    - (ii) each of the Scheme Members (who are holders of Dematerialised Shares in the Applicant) at the address as notified by Strate Limited submitted to the Applicant’s Transfer Secretaries on a date not more than seven calendar days before the date of such posting;
6. the date of posting of the documents referred to in paragraph 5 shall be evidenced by an affidavit deposed to by a representative of the Applicant duly supported by post office receipts;
  7. a copy of the documents referred to in paragraph 5 above, shall lie open for inspection at the registered office of the Applicant, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196, and at the office of the chairperson of the Scheme Meeting, being c/o 13 Eton Road, Parktown, Johannesburg, 2193, during normal business hours for at least fourteen calendar days prior to the date of the Scheme Meeting;
  8. the chairperson shall report by way of affidavit the results of the Scheme Meeting to the Court on Tuesday 31 August 2010 or, if the chairperson adjourns the Scheme Meeting, the first Tuesday (or if that Tuesday is a public holiday, the first day thereafter) on which the matter can be set down for hearing in terms of the rules of Court after the expiry of the seven calendar-day period referred to in paragraph 10, at 10:00 or so soon thereafter as Counsel for the Applicant may be heard;
  9. the report required by the Court from the chairperson shall give details of:
    - 9.1 the number of the Scheme Members present in person (including those represented) at the Scheme Meeting and the number of Shares in the Applicant held by them;
    - 9.2 the number of the Scheme Members represented by proxies at the Scheme Meeting and the number of Shares held in the Applicant by them, together with information as to the number of Shares represented by the chairperson in terms of proxies;
    - 9.3 any proxies which have been disallowed and the reasons therefor;

- 9.4 all resolutions passed at the Scheme Meeting, with particulars of the number of votes cast in favour of and against each such resolution and of any abstentions, indicating how many votes were cast by the chairperson in terms of proxies which were annexed to the Scheme Circular;
  - 9.5 all rulings made and directions given (if any) by the chairperson at the Scheme Meeting or any adjournment thereof;
  - 9.6 the relevant portions of documents and reports submitted or tabled at the Scheme Meeting which bear on the merits or demerits of the Scheme, including copies thereof; and
  - 9.7 the main points of any other proposals which were submitted to the Scheme Meeting and what transpired in respect thereof;
10. the chairperson of the Scheme Meeting shall make available at the places referred to in paragraph 7 of this Order (and the notice of Scheme Meeting which is published and sent to the Scheme Members shall include a statement that it is so available) a copy of the chairperson's report to this Court, free of charge, to any Scheme Members on request during normal business hours, from Tuesday 24 August 2010 to the date and time fixed by this Court for the chairperson to report back to it;
  11. the Applicant shall also make available for inspection a copy of the chairperson's report at its registered office, free of charge, to any Scheme Member on request, from Tuesday 24 August 2010 to the date and time fixed by this Court for the chairperson to report back to it;
  12. any Scheme Member who holds Certificated Shares in the Applicant or Dematerialised Shares in the Applicant through a Central Securities Depository Participant ("CSDP") or Broker and has "own-name" registration who wishes to vote by proxy at the Scheme Meeting, shall by not later than 10:00 on Thursday 19 August 2010, tender his or her form of proxy at the address stipulated therein, or hand the form of proxy, referred to in paragraph 5.3 above, to the chairperson at least ten minutes before the scheduled time for the start of the Scheme Meeting; and
  13. any Scheme Member who holds Dematerialised Shares in the Applicant through a CSDP or Broker and does not have "own-name" registration, who wishes to attend and vote at the Scheme Meeting should timeously inform his or her CSDP or Broker of his or her intention to attend and vote at the Scheme Meeting or to be represented by a proxy thereat in order for the CSDP or Broker to issue him or her with the necessary letter of representation or should he or she not wish to attend the Scheme Meeting in person, timeously provide his or her CSDP or Broker with his or her voting instructions in order for the CSDP or Broker to vote at the Scheme Meeting in accordance with such instructions.

By Order of the Court

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**Registrar**

**Applicant's Attorneys**

**WERKSMANS INCORPORATED**

155, 5th Street  
Sandton, 2196  
Or Suite 1714, 17th Floor  
Marble Towers  
208 – 212 Jeppe Street  
Johannesburg, 2001  
Private Bag 10015  
Sandton, 2146

Docex 111 Sandton  
Tel: +27 (0)11 535 8000  
Fax: +27 (0)11 535 8600

**Ref: Mr G Johannes/BARN0999.88**

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## Notice of Scheme Meeting

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**IN THE HIGH COURT OF SOUTH AFRICA**

**(SOUTH GAUTENG, JOHANNESBURG)**

**Case number: 2010/28541**

Before the Honourable **Judge Saldulker**

In the *ex parte* application of:

**Barnard Jacobs Mellet Holdings Limited**

(Registration number 1995/004798/06)

**Applicant**

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Notice is hereby given that, in terms of an Order dated 27 July 2010, the High Court of South Africa (South Gauteng High Court, Johannesburg) has ordered, in accordance with the provisions of section 311 of the Companies Act, No. 61 of 1973, as amended ("**Companies Act**"), that a meeting ("**the Scheme Meeting**") of the registered ordinary shareholders of the Applicant reflected in the Applicant's share register on the record date for voting (as defined in the scheme of arrangement contained in Annexure "**FA2**" to the founding affidavit in this matter) ("**Scheme Members**") be held under the chairmanship of Mervyn Taback or, failing him, Lourens van Staden, both directors of Mervyn Taback Inc, on Monday 23 August, at 10:00 for the purpose of considering and if deemed fit approving, with or without modification, the Scheme of Arrangement ("**the Scheme**") proposed by FirstRand Limited ("**FirstRand**") between the Applicant and the Scheme Members.

**The basic characteristic of the Scheme is that, upon implementation, FirstRand Investment Holdings (Proprietary) Limited, a wholly-owned subsidiary of FirstRand, will acquire all the ordinary shares in the Applicant held by the Scheme Members ("Scheme Shares"). In terms of the Scheme, Scheme Members will (subject to potential adjustments explained below and in the Circular to Scheme Members) receive a cash consideration ("Scheme Consideration") of R4.50 (four rand and fifty cents) for every 1 (one) ordinary Scheme Share in the Applicant held by such Scheme Member, which is payable on the Operative Date of the Scheme, which is expected to be on Monday, 11 October 2010. The said Scheme Consideration is subject to adjustment.**

**On implementation of the Scheme, the listing of the Applicant's shares on the securities exchange operated by the JSE will be terminated.**

The implementation of the Scheme is subject to the fulfilment of certain Conditions Precedent including, but not limited to, the sanctioning of the Scheme by the above Honourable Court and a certified copy of the order of the above Honourable Court sanctioning the Scheme being registered by the Registrar of Companies and Close Corporations ("**Conditions Precedent**").

Copies of this notice, the form of proxy (*pink*) to be used at the Scheme Meeting or any adjourned meeting, the form of surrender and transfer (*yellow*), the Scheme, the Explanatory Statement in terms of section 312(1)(a)(i) of the Companies Act explaining the Scheme and the Order of Court convening the Scheme Meeting, will be sent to the Shareholders of the Applicant at least 14 (fourteen) calendar days before the date of the Scheme Meeting. Members of the Applicant may, during normal business hours at any time prior to the Scheme Meeting, inspect and obtain a copy of those documents, free of charge, at the Applicant's registered office at being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196.

Each Scheme Member who holds Certificated Shares in the Applicant ("**Certificated Scheme Member**") or who holds Dematerialised Shares in the Applicant through a Central Securities Depository Participant ("**CSDP**") and has "own-name" registration ("**Dematerialised "own-name" Scheme Member**"), may attend, speak and vote, or abstain from voting in person at the Scheme Meeting or any adjourned meeting, or may appoint one or more proxies (who need not be Shareholders of the Applicant) to attend, speak and vote, or abstain from voting at the Scheme Meeting or any adjourned meeting in the place of such Certificated Scheme Member or Dematerialised "own-name" Scheme Member. A form of proxy (*pink*) for this purpose, for completion by Certificated Scheme Members and Dematerialised "own-name" Scheme Members only, is included in the Circular which has been posted to all Scheme Members at their addresses as recorded in the Register of Members of the Applicant at the close of business on a date not more than 4 (four) calendar days before the date of such posting. If more than one person is appointed on a single form of proxy (*pink*), then only one of those proxies (in order of appointment) will be entitled to exercise that proxy. In the case of joint Certificated Scheme Members and joint Dematerialised "own-name" Scheme Members, the vote of the senior Certificated Scheme Member or senior Dematerialised "own-name" Scheme Member (seniority will be determined by the order in which the names of the joint Certificated Scheme Members or joint Dematerialised "own-name" Scheme Members are reflected in the Applicant's Register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote of the other joint certificated Scheme Member(s) or joint Dematerialised "own-name" Scheme Member(s).

Properly completed forms of proxy (*pink*) must be lodged with or posted to the Transfer Secretaries of the Applicant, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001, (PO Box 4844, Johannesburg, 2000) to be received by no later than 10h00 on Thursday 19 August 2010, or handed to the chairperson no later than 10 (ten) minutes before the scheduled time for the commencement of the Scheme Meeting or adjourned Scheme Meeting. Notwithstanding the foregoing, the chairperson may approve, in the chairperson's discretion, the use of any other form of proxy.

Each Scheme Member who holds a beneficial interest in Dematerialised Shares in the Applicant and who does not have own-name registration ("**Dematerialised Scheme Member**") may attend, speak and vote, or abstain from voting in person at the Scheme Meeting or adjourned Scheme Meeting only if such Dematerialised Scheme Member informs his/her CSDP or Broker timeously of his/her intention to attend and vote, or abstain from voting at the Scheme Meeting or adjourned Scheme Meeting or be represented by proxy thereat in order for his/her CSDP or Broker to issue him/her with the necessary letter of representation or such Dematerialised Scheme Member provides his/her CSDP or Broker timeously with his/her voting instruction should such Dematerialised Scheme Member not wish to attend the Scheme Meeting or adjourned Scheme Meeting in person in order for his/her CSDP or Broker to vote in accordance with his/her instruction at the Scheme Meeting or adjourned Scheme Meeting. The CSDP or Broker will then provide the Transfer Secretaries of the Applicant with forms of proxy in terms of each individual Dematerialised Scheme Member's instruction.

In terms of the aforementioned Order of Court, the chairperson must report the results of the Scheme Meeting to the above Honourable Court on Tuesday 31 August 2010 or, if the chairperson adjourns the Scheme Meeting, the first Tuesday (or if that Tuesday is a public holiday, the first day thereafter on which the matter can be set down for hearing in terms of the rules of Court after the expiry of the 7 calendar day period during which the chairperson's report must lie open for inspection) at 10h00 or so soon thereafter as counsel may be heard. A copy of the chairperson's report to the above Honourable Court will be available on request to any Scheme Member, free of charge, at the registered office of the Applicant being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196, during normal business hours for a period of at least 7 (seven) days prior to the date set by the above Honourable Court for the chairperson to report back to it.

*Chairperson of the Scheme Meeting*

**Mervyn Taback**

**WERKSMANS INCORPORATED**

**Applicant's Attorneys**

155 – 5th Street  
Sandton 2196  
Or Suite 1714 – 17th Floor  
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208 – 212 Jeppe Street  
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Tel: +27 (0)11 535 8000  
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**Ref: Mr G Johannes/BARN0999.88**





# Barnard Jacobs Mellet Holdings Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1995/004798/06)  
Share code: BJM ISIN: ZAE000014262  
("BJM" or "the Company")

## Form of proxy

The definitions and interpretations commencing on page 7 of the Circular apply, *mutatis mutandis*, to this form of proxy.

For use by Certificated Scheme Members and Dematerialised Scheme Members with Own-Name Registration registered as such at 17:00 on Wednesday 18 August 2010 ("**the Scheme Members**") at a meeting, convened in terms of an Order of the High Court of South Africa (South Gauteng, Johannesburg), to be held at 10:00 at the registered office of BJM, being 24 Fricker Road, Illovo Corner, Illovo, Johannesburg, 2196 ("**the Scheme Meeting**").

I/We (full names) PLEASE PRINT

of address

being the holders of  Certificated Shares or Dematerialised Shares with Own-Name Registration,

do hereby appoint (see note 1):

1. \_\_\_\_\_ or failing him or her,
2. \_\_\_\_\_ or failing him or her,
3. the chairperson of the Scheme Meeting,

as my/our proxy to attend and speak on my/our behalf at the Scheme Meeting and at any adjournment thereof and, if deemed fit, approve (see note 3):

with modification†	(delete whichever is not applicable)
without modification	

a Scheme of Arrangement in terms of section 311 of the Companies Act, 61 of 1973, as amended ("**the Scheme**"), proposed by FirstRand Limited, between the Company and its members; and to vote for or against the Scheme or abstain from voting in respect of the Shares registered in my/our name/s in accordance with the following instructions (see note 2):

For the Scheme	Number of votes*
Against the Scheme	Number of votes*
Abstain from voting	Number of votes*

\* One vote per Scheme Share held by Scheme Member.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2010

Signature

Capacity of signatory (where applicable)

**Note: Authority of signatory to be attached – see note 11.**

Assisted by me (where applicable)

Full name \_\_\_\_\_ Capacity \_\_\_\_\_

Signature

If a Scheme Member agrees that the Scheme may be modified, the Scheme Member may, if he or she so desires, indicate the manner and extent of any such modification to which the proxy may agree on a separate sheet of paper which must be lodged at or posted to the address stipulated in note 4, together with this form of proxy. In addition, please refer to the conditions stipulated in note 4.

**Please read the notes on the reverse side hereof.**

**Notes:**

1. Each Scheme Member is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and vote in place of that Scheme at the Scheme Meeting.
2. A Scheme Member may insert the name of a proxy or the names of two alternative proxies of the Scheme Member's choice in the space/s provided, with or without deleting "the chairperson of the Scheme Meeting", but the Scheme Member must initial any such deletion. The person whose name stands first on this form of proxy and who is present at the Scheme Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Scheme Member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Scheme Member in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairperson of the Scheme Meeting, if the chairperson is the authorised proxy, to vote in favour of the Scheme, or any other proxy to vote or abstain from voting at the Scheme Meeting as he or she deems fit, in respect of all the Scheme Member's votes exercisable at the Scheme Meeting.
4. If a Scheme Member agrees that the Scheme may be modified, the Scheme Member may indicate the manner and the extent of such modification to which the proxy may agree on a separate sheet of paper which must be lodged with or posted to, Link Market Services South Africa (Proprietary) Limited, 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by 10:00 on Thursday 19 August 2010 or may be handed to the chairperson of the Scheme Meeting not later than ten minutes before the Scheme Meeting is due to commence.
5. It should be noted that, notwithstanding that a Scheme Member indicates that the Scheme may not be modified, the chairperson (if the chairperson is the authorised proxy) or any other proxy shall nevertheless be entitled to agree to a modification of the Scheme in terms of which the Scheme Consideration is increased.
6. If a Scheme Member fails to indicate whether the Scheme may be approved with or without modification, or fails to indicate the manner and the extent of any modification to which the proxy may agree, such failure shall be deemed to authorise the chairperson of the Scheme Meeting or any other proxy if the chairperson deems fit, to agree to the Scheme with or without modification as he or she deems fit, in respect of all the Scheme Member's votes exercisable at the Scheme Meeting.
7. Forms of proxy must be lodged with or posted to Link Market Services South Africa (Proprietary) Limited, whose address is 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:00 on Thursday 19 August 2010 or such later date as may be released on SENS and, if in the discretion of the chairperson practicable, published in the South African press in relation to any adjournment. Alternatively, forms of proxy may be handed to the chairperson of the Scheme Meeting by not later than ten minutes before the Scheme Meeting is due to commence.
8. The completion and lodging of this form of proxy will not preclude the relevant Scheme Member from attending the Scheme Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such Scheme Member wish to do so.
9. The chairperson of the Scheme Meeting may accept any form of proxy which is completed and/or received, other than in accordance with these notes, provided that the chairperson is satisfied as to the manner in which the Scheme Member concerned wishes to vote.
10. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the Company or its Transfer Secretaries or waived by the chairperson of the Scheme Meeting.
12. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the Company or the Transfer Secretaries.
13. Where Shares are held jointly, all joint holders are required to sign. Any joint holder may vote at the Scheme Meeting in respect of his or her joint Shares as if he or she was solely entitled thereto, but of more than one such joint holders are present or represented at the Scheme Meeting, the one whose name stands first in the Register is the respect of such Shares or his or her proxy, as the case may be, is alone entitled to vote in respect thereof.
14. If a Scheme Member is a minor, he or she must be assisted by his or her parent or guardian.

**Dematerialised Shareholders who do not own Shares with Own-Name Registration and who wish to attend the Scheme Meeting or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the Scheme Meeting or to be represented thereat by proxy. This must be done in terms of the mandate between the Shareholders and their CSDP or Broker.**





## Barnard Jacobs Mellet Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1995/004798/06)

Share code: BJM ISIN: ZAE000014262

("BJM" or "the Company")

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### Form of surrender and transfer

**For use by Shareholders who hold their Shares in certificated form only in relation to a Scheme of Arrangement in terms of section 311 of the Companies Act, proposed by FirstRand Limited through its wholly-owned subsidiary FirstRand Investments Holdings (Proprietary) Limited between BJM and its members**

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The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this form of surrender and transfer. **This form of surrender and transfer should be read in conjunction with the Circular sent to BJM shareholders ("Shareholders") dated 30 July 2010.**

**Instructions:**

1. A separate form of surrender and transfer is required for each Shareholder. Shareholders must complete this form in BLOCK CAPITALS.
2. **Part A** must be completed by all Shareholders who return this form of surrender and transfer and relates to the surrender of Document(s) of Title.
3. **Part B** must be completed by Shareholders who are emigrants from or non-residents of the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland ("**the Common Monetary Area**") (see Note 2).
4. **Part C** must be completed by Certificated Shareholders who wish to have their Scheme Consideration paid by electronic funds transfer. If this section is left blank or filled in incorrectly, the Scheme Consideration will be paid by cheque, posted by ordinary mail, to the registered address of the Shareholder concerned at his or her own risk.

**Please also read the notes overleaf.**

**To: The Transfer Secretaries**

*By hand*

Link Market Services South Africa (Proprietary) Limited  
16th Floor  
11 Diagonal Street  
Johannesburg  
2001

*By post*

Link Market Services South Africa (Proprietary) Limited  
PO Box 4844  
Johannesburg  
2000

Dear Sirs

**PART A – Surrender of Documents of Title**

**All Shareholders who return this form of surrender and transfer must please complete Part A.**

**Shareholders who wish to anticipate the Scheme becoming operative and expedite payment of the Scheme Consideration should complete Part A and return this form of surrender and transfer to the Transfer Secretaries together with their Document(s) of Title by no later than 12:00 on Friday 8 October 2010.**

Alternatively, the Scheme Consideration will be paid to Certificated Shareholders by the Transfer Secretaries once the Scheme has become operative.

In the event that the Scheme does not become operative, the Shareholder's Document(s) of Title will be returned within five Business Days of the date upon which it becomes known that the Scheme will not become operative.

I/We hereby surrender the enclosed Share certificate/s, certified transfer deed/s and/or other Document(s) of Title, details of which have been completed overleaf, in respect of my/our holding of BJM Shares.

Surname or name of corporate body \_\_\_\_\_

First names (in full) \_\_\_\_\_

Title \_\_\_\_\_

Address to which the Scheme Consideration should be sent (if different from registered address) \_\_\_\_\_

Postal code \_\_\_\_\_

Country \_\_\_\_\_

Telephone number ( ) \_\_\_\_\_

**Share certificates and/or other Document(s) of Title surrendered**

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of BJM Shares covered by each certificate
<b>Total</b>		

Signature of Shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date <span style="float: right;">2010</span>	
Telephone number (Home) (    )	
Telephone number (Work) (    )	
Cellphone number	

Signatories may be called upon for evidence of their authority or capacity to sign this form of surrender and transfer.

**Part B****1. To be completed only by Certificated Shareholders who are emigrants from South Africa.**

The Scheme Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

Name and address of authorised dealer in South Africa or substitute instruction

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Account number

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**2. To be completed only by all other non-resident Certificated Shareholders who wish to provide a substitute address.**

The Scheme Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below:

Substitute address

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**3. If no nomination is made in terms of 1 above, the Scheme Consideration will be held in trust by BJM.****PART C – Bank details for electronic funds transfer**

**Certificated Shareholders who wish to receive the Scheme Consideration via electronic funds transfer should complete this section.**

Account holder	Branch code
Bank	Type of account
Branch	Account number
SWIFT code	

**Notes:**

- Emigrants from the Common Monetary Area must complete Part B.
- All other non-residents of the Common Monetary Area must complete Part B (if they wish the Scheme Consideration to be sent to an authorised dealer in South Africa).
- If Part B is not properly completed, the Scheme Consideration (in the case of emigrants or non-residents) will be held in trust by the Transfer Secretaries pending receipt of the necessary nomination or instruction.
- The Scheme Consideration will not be sent to Shareholders unless and until Document(s) of Title in respect of the relevant Shares have been surrendered to the Transfer Secretaries.
- If a Shareholder produces evidence to the satisfaction of BJM and FirstRand Limited that Document(s) of Title in respect of Shares have been lost or destroyed, BJM and FirstRand Limited may waive the surrender of such Document(s) of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by it, or may in their discretion waive such indemnity.
- If this form of surrender and transfer is not signed by the Shareholder, the Shareholder will be deemed to have irrevocably appointed the company secretary of BJM to implement that Shareholder's obligations under the Scheme on his or her behalf.
- Persons who have acquired BJM Shares after the date of posting of this Circular to which this form of surrender and transfer is attached, can obtain copies of the form of surrender and transfer and this Circular from Link Market Services South Africa (Proprietary) Limited, whose address is 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000).
- No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE Limited, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form of surrender and transfer.
- Any alteration to this form of surrender and transfer must be signed in full and not initialled.
- If this form of surrender and transfer is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form of surrender and transfer for noting (unless it has already been noted by BJM or the Transfer Secretaries).
- Where the Shareholder is a company or a close corporation, unless it has already been registered with BJM or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of surrender and transfer must be submitted if so requested by BJM.
- Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE Limited.
- Where Shares are held jointly, all joint holders are required to sign. Any joint holder may vote at the Scheme Meeting in respect of his or her joint Shares as if he or she was solely entitled thereto, but if more than one such joint holders are present or represented at the Scheme Meeting, the one whose name stands first in the Register in respect of such Shares or his or her proxy, as the case may be, is alone entitled to vote in respect thereof.