THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please contact your broker, accountant, banker, attorney or other professional adviser immediately.

The definitions and interpretation commencing on page 8 of this Document apply to the entire Document excluding the section relating to the Scheme, which has its own definitions and interpretations.

Action required

If you have disposed of all of your Shares, please forward this Document to the purchaser of such Shares or to the stockbroker, banker or other agent through whom such disposal was effected.

Building better markets

JOHANNESBURG STOCK EXCHANGE

Bond Exchange of South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)
("BESA")

JSE Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/022939/06)
Share code: JSE ISIN: ZAU000000010
("**JSE**")

A circular to Shareholders regarding a Scheme of Arrangement in terms of section 311 of the Companies Act, proposed by the JSE between BESA and its Shareholders which, if implemented, will result in the JSE acquiring the entire issued share capital of BESA in return for payment of the Scheme Consideration to Scheme Participants, and incorporating a Substitute Offer if the Scheme of Arrangement is not for any reason whatsoever approved by the requisite majority of Scheme Members at the Scheme Meeting or should the Court refuse to sanction the Scheme.

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and including:

- **an explanatory statement in terms of section 312(1)(a)(i) of the Companies Act (*blue*);**
- **a Scheme of Arrangement in terms of section 311 of the Companies Act (*pink*);**
- **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 – including that which is required by the SRP;**
- **the Order of Court convening the Scheme Meeting;**
- **the notice of the Scheme Meeting;**
- **the terms of the Substitute Offer;**
- **a Form of Proxy for the Scheme Meeting (*yellow*); and**
- **a Form of Surrender (*green*).**

Date of issue: **20 January 2009**

Financial advisor to BESA

Legal advisor to JSE and attorneys to the Scheme

Legal advisor to BESA

Sponsor to JSE

Communications advisor to BESA

Communications advisor to JSE

Independent advisor to BESA

Independent reporting accountant to BESA

PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

DIRECTORS OF BESA AND THE JSE

Directors of BESA

Executive

G W Greubel *(Chief Executive Officer)*
G A Brookes

Non-executive

N M C Nyembezi-Heita *(Chairman)*
J M Berman #
G B D Brown *
R Gasant
M J Janse van Rensburg
K B Motshabi
C C Okeahalam #
I Plenderleith #
M R Weldon *

British
* New Zealand

Directors of the JSE

Executive

R M Loubser *(Chief Executive Officer)*
J H Burke
F M Evans
N F Newton-King
L V Parsons

Non-executive

H J Borkum *(Chairman)*
A D Botha
M R Johnston
D M Lawrence
W Luhabe
A Mazwai
N S Nematswerani
N Payne
G Serobe

CORPORATE INFORMATION

Corporate information relating to BESA

Company secretary and registered office

Mr Graeme Brookes
Mezzanine Level
30 Melrose Boulevard
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(PO Box 77, Melrose Arch, 2076, South Africa)

Financial advisor

Absa Capital
(A division of Absa Bank Limited)
15 Alice Lane
Sandton, 2196
(Private Bag X10056, Sandton, 2146, South Africa)

Legal advisor

Edward Nathan Sonnenbergs Inc.
150 West Street
Sandton, 2196
(PO Box 783347, Sandton, 2146, South Africa)

Independent advisor

Ernst & Young Advisory Services Limited
Wanderers Office Park
52 Corlett Drive
Illovo
(Private Bag X14, Northlands, 2116, South Africa)

Independent reporting accountant

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
2 Eglin Road
Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157, South Africa)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107, South Africa)

Corporate information relating to the JSE

Company secretary and registered office

Mr Gary Charles Clarke (BA LLB)
One Exchange Square
2 Gwen Lane, Sandown, 2196
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Legal advisor and attorneys to the Scheme

Webber Wentzel
10 Fricker Road
Illovo Boulevard, Illovo
Johannesburg, 2196
(PO Box 61771, Marshalltown, 2107, South Africa)

Sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
One Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146, South Africa)

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Form of Proxy *(yellow)*		Attached
Form of Surrender *(green)*		Attached

ACTION REQUIRED BY SHAREHOLDERS

Please take careful note of the following provisions regarding the action you are required to take.

If you have disposed of all of your Shares, this Document should be handed to the purchaser of such Shares or to the broker, banker or other agent who disposed of your Shares for you.

If you are in any doubt as to what action to take, please consult your broker, accountant, banker, attorney or other professional adviser immediately.

The definitions and interpretation commencing on page 8 of this Document, apply to this section.

1. VOTING AND ATTENDANCE AT SCHEME MEETING AND REPRESENTATION AT COURT:

1.1 You may attend the Scheme Meeting in person (or if you are a company or other body corporate, be represented by a natural person appointed by a resolution of your board) and may speak and vote at the Scheme Meeting. Kindly arrive at least 10 (ten) minutes before the start of the Scheme Meeting to ensure you have sufficient time to register for the electronic voting process. Registration for voting closes 10 (ten) minutes before the start of the Scheme Meeting.

1.2 Alternatively, you may appoint a proxy to represent you at the Scheme Meeting by completing the attached Form of Proxy *(yellow)* in accordance with the instructions it contains and by returning it to the Transfer Secretaries to be received by no later than 10:00 on Wednesday, 4 February 2009 or 48 (forty-eight) hours before any adjourned Scheme Meeting. Forms of Proxy may also be handed to the chairperson of the Scheme Meeting up to 10 (ten) minutes before the Scheme Meeting (or any adjourned Scheme Meeting) is due to commence. Should you appoint a proxy other than the chairperson of the Scheme Meeting, kindly ensure that your proxy arrives at least 10 (ten) minutes before the start of the Scheme Meeting to ensure that the proxy has sufficient time to register for the electronic voting process. Registration for voting closes 10 (ten) minutes before the start of the Scheme Meeting.

1.3 You may appear or be represented by counsel at the Court hearing for the sanctioning of the Scheme at 10:00, or as soon thereafter as the matter may be heard, expected to be on Tuesday, 5 May 2009 in the High Court of South Africa, (Witwatersrand Local Division), which is located at High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg.

2. SURRENDER OF DOCUMENTS OF TITLE AND RECEIPT OF SCHEME CONSIDERATION:

2.1 If the Scheme becomes operative, you will be required to surrender your Documents of Title in respect of your Scheme Shares in order to receive the Scheme Consideration. For this purpose you must complete the attached Form of Surrender *(green)* and return it, together with the relevant Documents of Title, to the Transfer Secretaries. If the Documents of Title are already in the possession of the Transfer Secretaries then you are required only to complete the attached Form of Surrender *(green)* together with a duly completed share transfer form, which shall on delivery thereof to the Transfer Secretaries be deemed to be the simultaneous irrevocable authorisation and instruction to the Transfer Secretaries to deliver the Documents of Title to the JSE in accordance with the provisions of this Document.

2.2 If the Scheme becomes operative and you surrendered your Documents of Title on or before the Scheme Consideration Record Date, the Scheme Consideration will be paid to you on or about the Operative Date. If you have not surrendered your Documents of Title on or before the Scheme Consideration Record Date, the Scheme Consideration will be paid to you within 5 (five) Business Days of receipt of your Documents of Title and Form of Surrender *(green).*

Shareholders should consult appropriate professional advisers about their tax positions regarding the receipt of the Scheme Consideration. Nothing in this Document is to be construed as tax, legal or financial advice.

SUMMARY

The JSE is proposing the Scheme of Arrangement between BESA and its Shareholders. Should the Scheme become operative, BESA will become a wholly-owned subsidiary of the JSE and Scheme Participants will receive R125 in cash for every Scheme Share held on the Scheme Consideration Record Date.

Should the Scheme for any reason whatsoever not be approved by the requisite majority of Scheme Members at the Scheme Meeting or should the Court refuse to sanction the Scheme, the Scheme will fail and the JSE will be obliged forthwith to make the Substitute Offer to the Shareholders.

In terms of the Substitute Offer, the Shareholders will receive R125 in cash for each Share held by them.

The Substitute Offer is contained from page 56 onwards.

The Scheme is set out in the *pink* pages of this Document.

Also contained in this Document are:

- an explanatory statement *(blue)* in terms of section 312(1)(a)(i) of the Companies Act;
- 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 – including that which is required by the SRP;
- the order of Court convening the Scheme Meeting;
- the notice of Scheme Meeting;
- the terms of the Substitute Offer;
- a Form of Proxy for the Scheme Meeting *(yellow)*; and
- a Form of Surrender *(green)*.

The salient dates and times applicable to the Scheme are included in this Document commencing on page 6.

SALIENT DATES AND TIMES

	2009
Voting Last Day to Trade – Last day to trade Shares to be registered in the Register in order to be able to vote at the Scheme Meeting at	17:00 on Wednesday, 28 January
Voting Record Date – Last day to be registered in the Register in order to be able to vote at the Scheme Meeting at (Note 1)	10:00 on Wednesday, 4 February
Latest time and date for Forms of Proxy for the Scheme Meeting to be lodged at (Note 2)	10:00 on Wednesday, 4 February
Scheme Meeting to be held at	10:00 on Friday, 6 February
Results of the Scheme Meeting released by BESA on BESA's website and by the JSE on SENS on	Friday, 6 February
Results of the Scheme Meeting published in the Press on	Monday, 9 February
Report of chairperson of the Scheme Meeting available for inspection on	Monday, 16 February
Expected date for Court hearing to sanction the Scheme at 10:00 (or as soon thereafter as counsel may be heard) on (Note 3)	Tuesday, 5 May
Expected date for announcement of Court sanction of the Scheme released by BESA on BESA's website and by the JSE on SENS on	Tuesday, 5 May
Expected date for announcement of Court sanction of the Scheme published in the Press on	Wednesday, 6 May
Expected date for registering the Order of Court sanctioning the Scheme with the Registrar (if the Scheme is sanctioned) on	Wednesday, 6 May
If the Scheme is sanctioned and all Conditions Precedent are fulfilled:	
Expected announcement of Finalisation Date released by the JSE on SENS on	Wednesday, 6 May
Expected Scheme Consideration Last Day to Trade – Last day to trade Shares to be registered in the Register in order to be eligible to receive the Scheme Consideration at	17:00 on Friday, 8 May
Expected Scheme Consideration Record Date – Expected last day to be registered on the Register in order to be eligible to receive the Scheme Consideration at	17:00 on Friday, 15 May
Expected Operative Date on	Monday, 18 May
Scheme Consideration will:	
(a) if Documents of Title are received on or before 12:00 on the Scheme Consideration Record Date, be posted to Scheme Participants or deposited directly into their bank accounts should they provide bank account details on the Form of Surrender *(green)* on the Operative Date, which is expected to be	Monday, 18 May
(b) if Documents of Title are received after the Scheme Consideration Record Date, be posted to Scheme Participants	within 5 Business Days after receipt of the Documents of Title
Long Stop Date, whereafter the Scheme fails due to non-fulfilment of any of the Conditions Precedent	Tuesday, 30 June

Notes:

1. Shareholders should note that Shareholders who are registered on the Register after 10:00 on Wednesday, 4 February 2009 will not be eligible to vote at the Scheme Meeting.
2. If a Form of Proxy is not received by the time and date shown above, it may be handed to the chairperson of the Scheme Meeting by no later than 10 (ten) minutes before the Scheme Meeting is due to commence.
3. These dates and times are subject to change. In particular, dates indicated as "expected" may change due to delays beyond the control of the JSE and BESA in obtaining the approval of the Court, South African competition authorities, Financial Services Board and/or the Exchange Control Division of the South African Reserve Bank. An announcement regarding any such change will be released by BESA on its website and by the JSE on SENS and published in the Press.
4. Any reference to time is a reference to local South African time. Any changes to the above dates and times will be released by BESA on its website and by the JSE on SENS and published in the Press.

DEFINITIONS AND INTERPRETATION

In this Document (other than the section entitled "Scheme of Arrangement in terms of section 311 of the Companies Act" *(pink)* commencing on page 23), unless the context indicates otherwise, references to the singular shall include the plural and *vice versa*; words denoting one gender include the other; words and expressions denoting natural persons include legal persons and associations of persons; and the following words and expressions have the meanings assigned to them below:

"BESA"	Bond Exchange of South Africa Limited (registration number 2007/034441/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the SSA;
"BESA Board"	the board of directors of BESA from time to time;
"BESA Rights Issue Circular"	the BESA rights issue circular issued on 5 September 2008;
"Business Day"	any day, other than a Saturday, Sunday or gazetted public holiday in South Africa;
"CEO"	the chief executive officer of BESA, being Garth Greubel;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"Companies Act"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"Conditions Precedent"	the conditions precedent to which the Scheme is subject, as set out in paragraph 6 of the Scheme;
"Court"	the High Court of South Africa (Witwatersrand Local Division), which is located at the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg;
"Document"	this bound circular, dated 20 January 2009, together with all annexures, attachments and forms, including the Scheme;
"Documents of Title"	share certificates and duly completed share transfer forms, or other documents acceptable to the JSE, in respect of the Scheme Shares. If the Documents of Title are already in the possession of the Transfer Secretaries then you are required only to complete the attached Form of Surrender *(green)* together with a duly completed share transfer form, which shall on delivery thereof to the Transfer Secretaries be deemed to be the simultaneous irrevocable authorisation and instruction to the Transfer Secretaries to deliver the Documents of Title to the JSE in accordance with the provisions of this Document;
"Encumbrances"	any pledge, mortgage, lien, or other hypothecation or security interest of any kind, or any option, right of pre-emption, right of first refusal, or any other third party rights (real or personal);
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"Finalisation Date"	the date on which an announcement is released on SENS advising that all Conditions Precedent have been fulfilled and that the Scheme is unconditional in all respects, which date is expected to be 6 May 2009;
"**Firm Intent Announcement**"	means the JSE's announcement dated 27 October 2008 that the JSE intended to make a conditional offer to the Shareholders to acquire the entire issued ordinary share capital of BESA at R90 a Share subject to certain downward price adjustment triggers;

"Form of Proxy"	the form of proxy *(yellow)* attached to this Document;
"Form of Surrender"	the form of surrender and acceptance *(green)* attached to this Document;
"FSB"	the Financial Services Board, established under the Financial Services Board Act, 1990 (Act 97 of 1990), and the regulator of BESA and the JSE;
"Fund"	the BESA Guarantee Fund Trust, Master's Reference No. IT 4046/2008, with assets of approximately R99 million;
"Joint Announcement"	has the meaning as set out in paragraph 1.2 on page 11;
"JSE"	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the SSA;
"JSE Board"	the board of directors of the JSE from time to time;
"Last Practicable Date"	15 January 2009, being the last practicable date for gathering and finalising information for inclusion in this Document;
"Long Stop Date"	30 June 2009, or such other date which is agreed in writing before that date between BESA and the JSE;
"Operative Date"	the first Business Day following the Scheme Consideration Record Date, being the date on which the Scheme becomes operative, which operative date is expected to be 18 May 2009;
"OTC Trading"	trading in securities other than through a regulated exchange, which process is generally referred to as over-the-counter trading;
"Press"	the newspapers being Die Sake Beeld and Business Day;
"Rand" or **"R"** or **"cents"**	South African Rand and cents, the lawful currency of South Africa;
"Register"	the register of Shareholders of BESA maintained by BESA in terms of the Companies Act;
"Registrar"	the Registrar of Companies;
"SAFEX"	the South African Futures Exchange;
"Scheme" or **"Scheme of Arrangement"**	the scheme of arrangement in terms of section 311 of the Companies Act proposed by the JSE between BESA and its Shareholders, which scheme of arrangement is included in this Document and commences on page 23;
"Scheme Consideration"	the cash consideration payable to each Scheme Participant in terms of the Scheme, being R125 per Scheme Share;
"**Scheme Consideration Last Day to Trade**"	the last Business Day of the week during which the Finalisation Date occurs, being the last day to trade Shares in order to be registered in the Register on the Scheme Consideration Record Date, which scheme consideration last day to trade is expected to be 8 May 2009;
"Scheme Consideration Record Date"	17:00 on the 5th (fifth) Business Day immediately following the Scheme Consideration Last Day to Trade, which scheme consideration record date is expected to be at 17:00 on 15 May 2009;
"Scheme Meeting"	the meeting of Scheme Members to be held at 10:00 on 6 February 2009 at the InterContinental Sandton Sun Hotel, corner Fifth and Alice Street, Sandton, South Africa, to consider and vote on the Scheme, or any adjournment thereof;
"Scheme Members"	Shareholders who are entitled to attend and vote at the Scheme Meeting, being those Shareholders recorded as such in the Register on the Voting Record Date;

"Scheme Participants"	Shareholders who are entitled to receive the Scheme Consideration, being those Shareholders recorded as such in the Register on the Scheme Consideration Record Date;
"Scheme Shares"	the Shares held by Scheme Participants;
"SENS"	the Securities Exchange News Service;
"Shareholders"	persons recorded in the Register as holding Shares;
"Shares"	ordinary shares of R0.001 each in the issued share capital of BESA;
"SRP"	the Securities Regulation Panel established in terms of section 440B of the Companies Act;
"SRP Code"	the Securities Regulation Code on Takeovers and Mergers and the Rules of the SRP issued pursuant to the Companies Act;
"SSA"	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"Substitute Offer"	the substitute offer by the JSE to the Shareholders, the full details of which are set out from page 56 of this Document;
"Transfer Secretaries"	the transfer secretaries of BESA, being Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;
"**Voting Last Day to Trade**"	28 January 2009 being the last day to trade Shares in order to be registered in the Register on the Voting Record Date and to be able to vote at the Scheme Meeting; and
"Voting Record Date"	10:00 on 4 February 2009 being the day 2 (two) Business Days preceding the date of the Scheme Meeting, or 10:00 on the day 2 (two) Business Days preceding the date of any adjourned Scheme Meeting, being the latest time and date for Shareholders to be registered as such in the Register in order to be entitled to vote at the Scheme Meeting, or at any adjournment of the Scheme Meeting, as the case may be.

Building better markets

Bond Exchange of South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)
("BESA")

JOHANNESBURG STOCK EXCHANGE

JSE Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/022939/06)
Share code: JSE ISIN: ZAU000000010
("**JSE**")

EXPLANATORY STATEMENT APPLICABLE TO THE SCHEME OF ARRANGEMENT IN TERMS OF SECTION 312(1)(a)(i) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 The JSE released the Firm Intent Announcement on SENS on Monday, 27 October 2008 and in the Press on Tuesday, 28 October 2008.

1.2 A further announcement by BESA and the JSE was released on SENS and on BESA's website on Wednesday, 10 December 2008 and in the Press on Thursday, 11 December 2008 in which Shareholders were advised of the outcome of discussions between BESA and the JSE in relation to the conditional offer described in the Firm Intent Announcement ("**Joint Announcement**").

1.3 As indicated in the Joint Announcement, Shareholders were advised that:

1.3.1 the JSE agreed to increase its original offer consideration as set out in the Firm Intent Announcement from R90 per Share to R125 per Share, reflecting a 39% upward adjustment and a 31% premium to the consolidated net asset value of BESA (including the Fund); and

1.3.2 after discussions with the BESA Board and the provision of certain information by the BESA Board to the JSE, the JSE further agreed to amend the terms of its offer by making the offer consideration free from any downward price adjustments and subject only to the fulfilment of the Conditions Precedent.

1.4 The terms of this improved offer to acquire all the Shares at R125, are set out in this Document.

1.5 In the opinion of the JSE and BESA, the most effective way to implement the improved offer is by way of the Scheme of Arrangement.

1.6 Should the Scheme become operative:

1.6.1 Scheme Participants will, against the surrender of their Documents of Title, be entitled to receive the Scheme Consideration; and

1.6.2 BESA will become a wholly-owned subsidiary of the JSE and, insofar as required, the BESA articles of association will be amended to comply with the JSE Listings Requirements.

1.7 In the event that the Scheme is for any reason whatsoever not approved by the requisite majority of Scheme Members at the Scheme Meeting or should the Court refuse to sanction the Scheme, the Scheme will fail and the JSE will be obliged to forthwith make the Substitute Offer.

1.8 This explanatory statement sets out the reasons for, as well as the effects and procedures of, the Scheme. It does not constitute the Scheme itself. Shareholders should note that the Scheme *(pink)* commences on page 23 of this Document and sets out in full the mechanics and the impact of the Scheme. For a full understanding of the detailed legal terms and conditions, the Scheme should be read in its completed form.

2. INFORMATION ABOUT BESA

2.1 BESA is an independent, licensed exchange, constituted as a public company, and responsible for operating and regulating trading in debt securities and interest-rate derivatives in South Africa. BESA was granted its exchange licence in 1996.

2.2 BESA's bond operations are well developed and highly sophisticated and it is a leader amongst emerging market economies. The Bank for International Settlements indicated in its July 2007 report that the South African government bonds are the sixth most liquid in the world, comparable to that of more mature markets. Since then turnover velocity has continued to grow, reaching 30% in September 2008 (local trading only) with strong liquidity visible in the form of large turnover volumes, low bid-ask spreads and limited day-to-day price volatility.

2.3 Turnover reported on BESA reached R13.8 trillion in 2007, while offshore trades in bonds settled through local infrastructure totalled R4.8 trillion for 2007. Given a nominal value for listed debt securities of R781 billion, and a locally-settled total turnover of R18.6 trillion, overall market velocity in 2007 grew to 23.8 times.

2.4 In December 2007 BESA entered a new era, successfully converting from a mutual association to a public company. As a demutualised exchange BESA has been able to move forward with the execution of innovative expansionary strategies aimed at building a diversified and sustainable business. The injection of fresh capital through a successful rights issue in early October 2008, has enabled BESA to continue to diversify its revenue streams. These initiatives include:

2.4.1 BondClear Limited: this is a new central counterparty clearing house being pioneered by the exchange in partnership with NASDAQ OMX, to provide clearing services. The clearing service will bring best practice standards to South Africa, in addition to world-class technology and operational services; and

2.4.2 Justrade.com: this is an online binary options exchange which harnesses the power and simplicity of trading binary options online and offers users the opportunity to trade contracts in interest rates, economic releases, equities, commodities and foreign indices. BESA operates the platform under licence from MarketTech (Pty) Limited, a 40% held subsidiary, which holds the intellectual property.

3. INFORMATION ABOUT THE JSE

3.1 The JSE is a listed public company operating as an exchange under the SSA. Previously an association of members, the JSE demutualised on 1 July 2004 and listed on 5 June 2005. The names of the directors of the JSE are set out on page 1 of this Document. It has operated as a marketplace for the trading of financial products for nearly 120 years. In this time, the JSE has evolved from traditional floor-based equities trading to a modern securities exchange providing fully electronic trading, clearing and settlement in various financial instruments across five different product categories. In support of its operations and in fulfilment of its obligations as a self-regulatory organisation in terms of the SSA, the JSE has extensive, real-time surveillance capabilities and is also a significant provider of financial information.

3.2 The JSE has experience in integrating exchanges in order to leverage their combined strengths for the benefit of all stakeholders. Instructive in this regard is the acquisition by the JSE of the business of SAFEX in August 2001. Since the JSE acquired SAFEX's business it has grown the range and volume of products traded across all its divisions. By way of example: in relation to equity derivatives trading, the JSE has launched several new products, including "Can Do Options" (which combine the flexibility of an OTC Trading product with the benefits of a listed product) and Dividend Futures. In relation to agricultural derivatives new products listed since the acquisition of SAFEX are second grade maize contracts and soybean contracts. In the index division, new indices include the shareholder weighted, total return, dividend, AllAfrica and SRI indices.

3.3 In 1999 the JSE was one of the founders of Strate Limited, the central securities depository for the electronic settlement of all financial instruments in South Africa. This initiative was funded without special contributions from the users. The dematerialisation of the then paper-based share system was largely responsible for the shift in ranking of the South African clearing and settlement system, then among the worst in the world, to among the world's best.

3.4 These advances have, in turn, resulted in increased volumes traded in products in all the JSE's divisions (with single stock futures showing the highest level of growth) and increased liquidity and market capitalisation in the JSE's equities market.

3.5 The JSE has proved that it has the experience and is committed to utilising its balance sheet to implement projects of scale which betters the South African capital markets' international competitive position. Similarly, the JSE is in a strong position to follow through on its commitments to the interest rate markets.

4. BACKGROUND INFORMATION AND RATIONALE FOR THE SCHEME

4.1 Background

4.1.1 Both the JSE and BESA have made significant advances in their operations for the benefit of various market participants. There have also been occasions where the JSE and BESA have considered whether there were opportunities for a closer relationship which would extend the market offering for market users in South Africa.

4.1.2 BESA's recent demutualisation, successful rights issue, the injection of fresh capital and the support for BESA's expansionary strategies have continued to strengthen BESA's established platform.

4.1.3 Following discussions with various Shareholders to explore their views on a closer relationship between the JSE and BESA, a number of Shareholders indicated that the JSE and BESA should explore a merger for the benefit of South African financial markets.

4.1.4 In light of the above, the JSE informed the chairman of BESA and the CEO on Friday, 24 October 2008 of its firm intention to make an offer to the Shareholders to acquire the entire issued ordinary share capital of BESA.

4.1.5 Since the release of the Firm Intent Announcement, and following extensive discussions between the JSE and BESA, the BESA Board has agreed to support the JSE's proposed merger of the two exchanges on the basis of the envisaged benefits for the market, feedback and support received from Shareholders, and the now revised and increased Scheme Consideration.

4.2 Vision and benefits

4.2.1 The world of capital markets is fast changing. In response, exchanges need to innovate continually to ensure they remain relevant to issuers and investors alike. In order to have a well-performing modern economy it is a prerequisite to have a sound and strong financial system. Strong capital markets are an essential part of such a financial system, to allow participants to mobilise savings, allocate capital and manage risk. It is therefore extremely important from a national interest and market participant perspective that there are deep markets in debt and equity products and that, as far as possible, the trading, clearing and settlement of South African financial instruments happens in a globally competitive manner. This enables participants and the local economy to derive the benefits of a vibrant financial market.

4.2.2 Exchanges such as the JSE and BESA face strong competition for the trade in South African financial instruments from both international exchanges and OTC Trading (local and international). Being a global market, a large proportion of trade in spot instruments takes place offshore, and the on-exchange trade in derivative interest rate instruments in South Africa is low in comparison to international exchanges. The combination of BESA with the JSE will ensure that a globally competitive offering is created.

4.2.3 BESA has recently successfully completed a capital raising exercise confirming BESA's strategy and prospects. In the BESA Rights Issue Circular (paragraph 3) BESA confirmed its current (and continued) vision to improve the profitability of BESA's existing bond business through the upgrading of BESA's BTB matching platform, restructuring BESA's transaction processing fees, and growing data revenue across BESA's markets.

4.2.4 Like BESA, the JSE also supports the need to grow trade in South African interest rate instruments significantly.

4.2.5 BESA and the JSE are of the view that trade in South African interest rate instruments will be well served through the merger of the two companies. The merger will permit the combined entity to increase the utilisation of its infrastructure to achieve economies of scale as well as combining the different skill sets of the two companies. This will enable the JSE/BESA group to realise the following benefits for issuers, investors and market participants:

4.2.5.1 **variety of product and increased liquidity:** the combination of spot and derivative products in a single venue, where users can access both types of products, is expected to increase the liquidity in both spot and derivative instruments and drive increased volumes of on-exchange interest rate derivatives to a level more commensurate with international norms;

4.2.5.2 **improved, common risk-management processes:** risk management and transparency are critical to ensuring confidence in any capital market. The merged group will work together to introduce holistic risk management, clearing and settlement mechanisms for all products traded on-exchange in South Africa and therefore enable best of breed mechanisms to be introduced into the South African market. An integrated entity will be able to achieve this more quickly than one acting independently;

4.2.5.3 **enhanced trading model funded from existing capital:** the merged group will be strongly positioned to fund the development of strategies for the enhancement of the trade in local interest rate instruments from existing capital using the existing expertise from both BESA and the JSE to develop such strategies in collaboration with market participants; and

4.2.5.4 **reduction in costs through economies of scale:** the integration of BESA and the JSE will allow for the consolidation of the JSE's and BESA's infrastructure as well as enabling the more efficient use of the JSE's and BESA's overheads resulting in expected cost savings for users and the market as a whole.

5. THE INTEGRATION OF THE JSE AND BESA

Should the Scheme become operative, the JSE envisages doing the following in order to integrate the JSE and BESA businesses:

5.1 BESA as a wholly-owned subsidiary of the JSE

As soon as reasonably possible after the Scheme becomes operative, the JSE will seek to transfer the BESA business out of BESA into the JSE so as to enable the JSE to conduct the BESA business with the JSE's existing business in as efficient manner as possible. BESA will then be wound up.

5.2 Board, leadership and BESA staff

5.2.1 A member of the BESA Board will be offered a position on the JSE Board in order to immediately facilitate the process of a closer strategic alignment between BESA and the JSE.

5.2.2 The JSE acknowledges that BESA staff are critical to its operations and that they have important and growing roles within the combined JSE/BESA group. The JSE will retain all BESA staff in the integrated entity on terms and conditions no less favourable than they currently enjoy. The JSE confirms that it is critical to retain the BESA operations team, with their unique skill set, so as to ensure that the market operations perform as stakeholders expect and thereby reduce any potential integration risk.

5.2.3 The CEO has confirmed his availability and desire to assist with the integration of BESA into the merged JSE/BESA group until June 2009. BESA and the JSE recognise that he has an important role to play in ensuring that the collective views of market participants are reflected in the interest rate product strategy of the combined JSE/BESA group. As a result, he will be invited to join the JSE's

executive committee, as head of the Interest Rate Division, and will chair the Interest Rate Advisory Committee ("**Interest Rate Advisory Committee**") that will be formed as set out in paragraph 5.4 below. The BESA Board thanks him for his leadership and vision in building BESA to its current position, and in so doing, making a valuable contribution to the market. The combined JSE/BESA group looks forward to his continued input. In considering a replacement for the CEO as head of the Interest Rate Division of the merged entity, the JSE will, together with the BESA representative on the JSE Board, review all appropriately skilled external and internal candidates (including those from within BESA and the JSE).

5.2.4 The JSE's experience in the integration of SAFEX was to integrate the SAFEX staff with JSE teams who performed similar functions to those performed by such SAFEX staff (particularly company's office, legal, regulatory, surveillance, IT, HR, accounting etc.), which ensured a constructive approach to problem solving and allowed cross-pollination of skills and career growth. At the same time, the JSE and BESA agree that it is important for the JSE to keep the key BESA operations team with their unique skill set together so as to ensure that it is able to function in a manner which meets the expectations of its users.

5.3 **Growing the trade in fixed income instruments**

5.3.1 While the Scheme is progressing through the various legal and regulatory steps necessary for implementation, BESA and the JSE will continue to operate as separate entities and fully pursue their usual business in the ordinary course.

5.3.2 Following the implementation of the merger, the JSE will provide the full range of BESA products and services in the merged group while the head of the Interest Rate Division of the combined entity (the current CEO) leads the fixed income growth strategy, including a comprehensive review of the needs of market participants, referred to in paragraph 5.5 below together with the Head of Derivatives Trading of the JSE.

5.4 **Interest Rate Advisory Committee**

The JSE will create the Interest Rate Advisory Committee to advise the combined JSE/BESA group on the development of the trade in interest rate instruments. Advisory committees have well established roles within the JSE and the JSE relies heavily on them for guidance when facing difficult strategic decisions. The Interest Rate Advisory Committee will be broadly representative of the participants and stakeholders in relation to interest rate instruments. It will be chaired by the CEO and will have senior executive representatives from both the JSE and BESA to ensure that, as an integrated group, it finds solutions for growing the trade in South African interest rate instruments that best leverage the capabilities of both the JSE and BESA.

5.5 **Fixed income growth strategy**

5.5.1 The JSE and BESA recognise that markets are evolving extremely quickly in the current economic environment. The JSE is therefore committed to continuing to operate the current BESA products and services while developing a fixed income growth strategy with full and proper market consultation.

5.5.2 The following key focus areas will drive the development of this fixed income growth strategy:

5.5.2.1 **product and services review:** this will involve a broad-ranging and open-minded review of all the interest rate products and services either currently provided by BESA and the JSE or which either of them are currently investigating. It is key that the merits of all of these products be discussed with market participants so that the combined entity can determine which products and services clients want;

5.5.2.2 **trading model review:** BESA and the JSE currently deploy different trading models. The fixed income growth strategy will entail a full assessment of the current trading models with the identification of pressure points in the current models and with input from all market participants. This will allow an integrated JSE and BESA, to develop a superior, customised trading model; and

5.5.2.3 **infrastructure review:** on completion of the trading model review and the formulation of the overall fixed income strategy, a review of all the technology solutions available in the integrated group will be undertaken to determine the optimal technology infrastructure. As indicated, one of the key objectives of the proposed consolidation of the exchanges is to keep costs to users as low as possible.

5.6 **BESA rules and membership**

5.6.1 Initially, the existing BESA rules will not be affected (apart from possibly minor amendments necessitated by the integration (where applicable)).

5.6.2 Once the fixed income strategy discussed above has been agreed, it may, however, necessitate a complete – and again collaborative – review of all relevant rules relating to interest rate membership, trading, clearing and settlement.

5.6.3 As part of the implementation of the fixed income strategy, the JSE/BESA group would start consolidating all interest rate members (BESA and Yield-X members) into one class over time. This would not necessarily mean that such members would automatically be granted rights to execute trades on any of the JSE's other trading platforms because membership requirements of those markets are different due to the different risk management principles applied. Neither does it mean that the same capital adequacy requirements applied to one of the JSE's trading platforms would automatically be applied to the others. Input from BESA and from the JSE's Director: Derivatives Trading would be required as to the best way to proceed with this process, particularly as to the best manner in which to promote greater access to and trade on all the trading platforms.

5.7 **JSE's undertaking as to pricing**

5.7.1 The JSE's track record over the past five years reflects its understanding of the need to balance the interest of shareholders for a return with the need to provide users of the JSE's services with the best possible service at the lowest possible cost. The JSE is also aware of the fact that it operates in a global market and that its users have a range of different trading platforms and trading mechanisms at their disposal. As such, it is critical to continually seek ways of reducing the cost of trading on the JSE.

5.7.2 The JSE therefore commits to retain BESA's fee structure without increase for two years. The JSE will also investigate means of lowering those fees wherever possible.

6. REQUIREMENTS AND MECHANICS OF THE SCHEME

6.1 In terms of section 311 of the Companies Act, a scheme of arrangement proposed between a company and its members (or any class of its members), will become binding on that company and all members (or all members of the relevant class) (irrespective of whether or not every such member agrees with the scheme and is willing to be bound thereby) if:

6.1.1 a meeting of members has been convened in the manner directed by the Court;

6.1.2 the scheme is agreed to by a majority representing not less than three-fourths of the votes exercisable by members present and voting, either in person or by proxy at such meeting;

6.1.3 after such approval, the scheme is sanctioned by the Court at an open hearing; and

6.1.4 the order of Court sanctioning the scheme is lodged with and registered by the Registrar.

6.2 The Court has granted an order (a copy of which commences at page 42 of this Document) in terms of which a Scheme Meeting must be convened to consider the Scheme.

6.3 A copy of the notice convening the Scheme Meeting (which has been published in the Press, the Sunday Times and the Rapport in accordance with the requirements of the order) commences on page 45 of this Document.

7. SCHEME CONSIDERATION

7.1 If the Scheme becomes unconditional and is implemented, each Scheme Participant will receive R125 in cash for every Scheme Share held on the Scheme Consideration Record Date.

7.2 The Scheme Consideration:

7.2.1 is a 31% premium to the consolidated net asset value of BESA (including the Fund) at 31 December 2007, taking into account the recent capital raising of R80.8m and reflecting the fact that the JSE will, through the Scheme, gain control of BESA in its entirety;

7.2.2 reflects an increase of 39% on the initial conditional JSE offer of R90 per Share; and

7.2.3 is not subject to any downward adjustment.

8. THE SCHEME

The full text of the Scheme (*pink*) is set out on pages 23 to 31 inclusive of this Document.

8.1 On 13 January 2009, BESA applied to Court for leave to convene a meeting of Scheme Members to consider the Scheme, in accordance with the procedure under section 311 of the Companies Act.

8.2 On 13 January 2009, the Court granted an order, a copy of which is set out at pages 42 to 44 of this Document, granting BESA leave to convene the Scheme Meeting.

8.3 Section 311(2)(b) of the Companies Act requires that the Scheme must 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.

8.4 If the Scheme is approved by the requisite majority of Scheme Members, and the Conditions Precedent (other than those relating to the sanctioning of the Scheme and registration of the Court Order sanctioning the Scheme by the Registrar) are fulfilled, BESA will apply to Court for the sanctioning of the Scheme.

8.5 The Court order sanctioning the Scheme must be lodged with and registered by the Registrar before the Scheme becomes operative.

8.6 In terms of the Scheme, on the Operative Date:

8.6.1 Scheme Participants shall be deemed to have disposed of all of their Scheme Shares, free of Encumbrances, to the JSE;

8.6.2 in exchange for such disposal (and on surrender of their Documents of Title) each Scheme Participant shall be entitled to receive the Scheme Consideration;

8.6.3 the JSE shall be deemed to have acquired ownership of all the Scheme Shares;

8.6.4 BESA shall, directly or indirectly, procure:

8.6.4.1 the transfer of the Scheme Shares to the JSE on behalf of each Scheme Participant;

8.6.4.2 the registration of the Scheme Shares disposed of by the Scheme Participants into the name of the JSE;

8.6.4.3 the collection on behalf of each Scheme Participant of the Scheme Consideration from the JSE and the payment of the Scheme Consideration so collected to each Scheme Participant in accordance with the provisions of the Scheme; and

8.6.4.4 the receipt of the Scheme Participants' surrendered Documents of Title for their Shares;

8.6.5 only BESA shall be entitled to:

8.6.5.1 enforce the provisions of the Scheme against the JSE; and

8.6.5.2 enforce the rights of the Scheme Participants to receive the Scheme Consideration from the JSE; and

8.6.6 the JSE shall become the owner of 100% of the entire issued ordinary share capital of BESA.

9. THE PROCEDURE

9.1 The Scheme Meeting

9.1.1 The Scheme will be put to the vote at the Scheme Meeting to be held at 10:00 on 6 February 2009, or at any adjournment thereof, at the InterContinental Sandton Sun Hotel, corner Fifth and Alice Street, Sandton, South Africa. A copy of the notice to Shareholders convening the Scheme Meeting is set out on pages 45 and 46 of this Document.

9.1.2 Each Scheme Member who is a natural person may attend, speak and vote at the Scheme Meeting. Registration for voting at the Scheme Meeting closes 10 (ten) minutes before the start of the Scheme Meeting.

9.1.3 Each Scheme Member which is a company or other body corporate, may by resolution of its board of directors, appoint any natural person to represent it at the Scheme Meeting as though the natural person were the shareholder and shall as such be entitled to attend, speak and vote at the Scheme Meeting.

9.1.4 Each Scheme Member may appoint a proxy (including the chairperson of the Scheme Meeting) to represent him at the Scheme Meeting.

9.1.5 Duly completed Forms of Proxy *(yellow)* must be received by the Transfer Secretaries by no later than 10:00 on 4 February 2009 (or 48 (forty-eight) hours before any adjourned Scheme Meeting). Forms of Proxy may also be handed to the chairperson of the Scheme Meeting up to 10 (ten) minutes before the Scheme Meeting (or any adjourned Scheme Meeting) is due to commence. Notwithstanding the aforegoing, the chairperson may approve, in his discretion, the use of any variation of the Form of Proxy.

9.1.6 Where there are joint holders of Shares, any one of such persons may vote at the Scheme Meeting in respect of those Shares as if such joint holder was solely entitled thereto, provided they are recorded as such in the Register on the Voting Record Date. However, if more than one of the joint holders is present or represented at the Scheme Meeting, then the vote of the joint holder whose name appears first in the Register in respect of such Shares (or his proxy) will alone be entitled to vote in respect of those Shares.

9.1.7 If more than one person is appointed on a single Form of Proxy, then only one of those proxies (in order of appointment) will be entitled to exercise that proxy.

9.1.8 Scheme Members who do not wish to support the Scheme shall be given an opportunity to state their views at the Scheme Meeting.

9.2 Court hearing

9.2.1 Subject to the Scheme being approved by the requisite majority at the Scheme Meeting and the satisfaction of the other Conditions Precedent (save for the conditions relating to the sanctioning of the Scheme by the Court and registration of the Court order), application will be made to Court to sanction the Scheme which hearing is expected to be at 10:00, or as soon thereafter as the matter may be heard, on 5 May 2009. Scheme Members are entitled to attend the Court hearing in person, or to be represented by counsel, and to be heard concerning any objections they may have to the Scheme.

9.2.2 If the Court sanctions the Scheme, then the order of Court sanctioning the Scheme must be lodged with the Registrar for registration. When the order of Court is registered and all the Conditions Precedent are fulfilled, the Scheme will become binding on all Shareholders, even those who voted against it.

9.3 Surrender of Documents of Title

9.3.1 Scheme Participants must surrender their Documents of Title in respect of all their Scheme Shares in order to claim the Scheme Consideration. If the Documents of Title are already in the possession of the Transfer Secretaries then Scheme Participants are required only to complete the Form of Surrender *(green)* together with a duly completed share transfer form, which shall on delivery thereof to the Transfer Secretaries be deemed to be the simultaneous irrevocable authorisation and instruction to the Transfer Secretaries to deliver the Documents of Title to the JSE.

9.3.2 Scheme Participants who wish to anticipate the Scheme becoming operative and expedite receipt of the Scheme Consideration should complete the attached Form of Surrender *(green)* and return it as soon as possible to the Transfer Secretaries together with their Documents of Title, so as to be received by the Transfer Secretaries on or before the Scheme Consideration Record Date.

9.3.3 Alternatively, Scheme Participants may wait until the Operative Date, and surrender their Documents of Title under cover of the completed Form of Surrender *(green)* after that time, in which case the Scheme Consideration will be posted to them, by registered post, within 5 (five) Business Days after receipt of their Form of Surrender or deposited directly into their bank account should they provide the requisite bank account details on the Form of Surrender *(green)*.

9.3.4 **The attention of Scheme Participants is drawn to the fact that if they surrender their Documents of Title in advance of the Operative Date of the Scheme, they will not be in a position to deal in their Scheme Shares between the date of surrender and the Operative Date.**

9.3.5 Pending the Operative Date, the Transfer Secretaries will hold Documents of Title surrendered by Scheme Participants in anticipation of the Scheme becoming operative, for and on behalf of the Scheme Participant concerned. If the Conditions Precedent to the Scheme are not fulfilled, the Transfer Secretaries will retain such Documents of Title in trust or will, within 5 (five) Business Days of the date upon which it becomes known that the Scheme will not become operative, return the Documents of Title to the Scheme Participants (if such Scheme Participants no longer wishes such Documents of Title to be held in trust) concerned at their addresses recorded in the Register, by registered post, at the risk of such Scheme Participants, provided that where Scheme Participants have accepted the Substitute Offer, the Transfer Secretaries shall retain the Documents of Title surrendered by such Scheme Participants in anticipation of the Substitute Offer being implemented. If the Substitute Offer fails for any reason, the Transfer Secretaries shall retain such Documents of Title in trust or will, within 5 (five) Business Days of the date upon which it becomes known that the Substitute Offer has failed, return the Documents of Title to the Scheme Participants (if such Scheme Participants no longer wishes such Documents of Title to be held in trust) concerned at their addresses recorded in the Register, by registered post, at the risk of such Scheme Participants.

9.3.6 No receipts shall be issued for Documents of Title surrendered unless specifically requested. Persons so requesting receipts are requested to prepare specific transaction receipts if required.

9.3.7 If Documents of Title have been lost or destroyed and the Scheme Participant produces evidence to this effect to the satisfaction of both BESA and the JSE, the JSE may dispense with the requirement to surrender the Documents of Title against provision of an indemnity in a form acceptable to the JSE in its sole discretion. The cost of the indemnity shall be borne by the Scheme Participant concerned.

9.4 **Settlement of the Scheme Consideration**

9.4.1 If the Scheme becomes operative, Scheme Participants shall be entitled to receive, subject to paragraph 9.4.2 below, the Scheme Consideration on the Operative Date. The JSE shall pay the aggregate Scheme Consideration to BESA and BESA shall, through the Transfer Secretaries, administer and effect payment of the Scheme Consideration to the Scheme Participants.

9.4.2 Provided that Scheme Participants have validly surrendered their Documents of Title on or before the Scheme Consideration Record Date:

9.4.2.1 the Scheme Consideration will be posted by registered post to those Scheme Participants at their addresses recorded in the Register, at the risk of each Scheme Participant; or

9.4.2.2 where Scheme Participants have elected to receive the Scheme Consideration by electronic transfer directly into their bank accounts in South Africa by furnishing relevant details on the Form of Surrender *(green)*, the Scheme Consideration will be electronically transferred into their elected bank accounts,

on or about the Operative Date.

9.4.3 If Scheme Participants do not surrender their Documents of Title on or before the Scheme Consideration Record Date:

9.4.3.1 the Scheme Consideration will be posted to such Scheme Participants at their addresses recorded in the Register, by registered post, at the risk of each Scheme Participant; or

9.4.3.2 where Scheme Participants have elected to receive the Scheme Consideration by electronic transfer directly into their bank accounts in South Africa by furnishing relevant details on the Form of Surrender *(green)*, the Scheme Consideration will be electronically transferred into their elected bank accounts,

within 5 (five) Business Days of the date on which the Form of Surrender is received by the Transfer Secretaries.

9.4.4 The Scheme Consideration due to Scheme Participants shall be posted to them in accordance with the Scheme, the relevant provisions of which are summarised in paragraphs 9.4.2 and 9.4.3 above, unless such Scheme Participant furnishes written instructions to the contrary in the Form of Surrender *(green)*.

9.4.5 If the Scheme Consideration is not sent to Scheme Participants entitled thereto because the relevant Documents of Title have not been validly surrendered, or having been sent, the Scheme Consideration is returned undelivered to the Transfer Secretaries, it shall be held on behalf of the Scheme Participant concerned by the Transfer Secretaries for the benefit of that Scheme Participant until claimed. No interest shall accrue or be paid on any amount payable to a Scheme Participant arising from the Scheme Consideration being so held.

9.4.6 Where on or subsequent to the Operative Date, a person who was not a registered holder of Scheme Shares on the Scheme Consideration Record Date tenders to the Transfer Secretaries Documents of Title, together with a Form of Surrender, purporting to have been executed by or on behalf of the registered holder of such Shares, and provided that:

9.4.6.1 the Scheme Consideration shall not already have been posted or delivered to the registered holder or deposited directly into the registered holder's bank account; and

9.4.6.2 the JSE and BESA are, if so required by either or both of them, given an indemnity on terms acceptable to them in respect of such Scheme Consideration,

such transfer shall be accepted by the JSE and BESA as if it were a valid transfer to such person of the Scheme Shares concerned. The Scheme Consideration shall be posted, by registered post, to such person at the address provided on the Form of Surrender within 5 (five) Business Days of such tender, at such person's risk, and subject to the provision of proof satisfactory to the JSE and BESA as to the payment of any securities transfer tax payable.

9.4.7 The Scheme Consideration shall be paid, 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 the JSE or BESA may otherwise be, or claim to be, entitled against any Scheme Participant.

10. CONDITIONS PRECEDENT

10.1 The Scheme is subject to the fulfilment of the following Conditions Precedent:

10.1.1 the approval at the Scheme Meeting, or at any adjournment thereof, of the Scheme by a majority representing not less than three-fourths of the votes exercisable by the Scheme Members present and voting, either in person or by proxy;

10.1.2 by no later than the Long Stop Date, the sanctioning of the Scheme by the Court;

10.1.3 by no later than the Long Stop Date, a certified copy of the order of Court sanctioning the Scheme being registered by the Registrar in terms of the Companies Act; and

10.1.4 by no later than the Long Stop Date, all necessary regulatory approvals or consents to effect the Scheme having been granted, including but not limited to approvals and consents from the FSB, the SRP, the South African Reserve Bank and the South African competition authorities; provided that if any such approval is materially qualified or subject to material conditions, then the condition in this paragraph will only be deemed to be fulfilled if, prior to the Long Stop Date, the JSE agrees in writing to such qualification or condition and notifies BESA of same.

10.2 The Conditions Precedent may not be waived, but the period for their fulfilment may be extended beyond the Long Stop Date, in writing, by agreement between the JSE and BESA before the relevant fulfilment date and subject to the SRP's approval of any such agreed extended period.

10.3 The JSE and BESA will use their reasonable endeavours to procure the fulfilment of each of the Conditions Precedent as soon as reasonably practicable.

10.4 If the Conditions Precedent stated above are not met by the Long Stop Date or by such later date as agreed to by the JSE and BESA in writing, the Scheme will fail to become operative and will be of no further force and effect.

10.5 BESA shall, without delay, release an announcement on its website and publish a notice in the Press to notify Shareholders of the fulfilment of, the non-fulfilment of or the extension of the fulfilment period for, the Conditions Precedent.

11. EFFECT OF THE SCHEME

11.1 If all the Conditions Precedent are fulfilled and the Scheme becomes operative:

11.1.1 each Scheme Participant (whether he voted in favour of the Scheme or not, or failed to vote) shall, with effect from the Operative Date, be deemed to have disposed of his Scheme Shares to the JSE in exchange for the Scheme Consideration and shall no longer be a Shareholder in BESA; and

11.1.2 the JSE shall thereby acquire 100% of the issued ordinary share capital of BESA.

11.2 **Costs of the Scheme**

11.2.1 The JSE and BESA shall each pay its own costs of implementing the Scheme, including those costs incurred in preparing, signing and carrying the Scheme into effect and all matters incidental to it, and the payment of duties and taxes on the transfer of the Scheme Shares to the JSE.

11.2.2 BESA and the JSE estimate that their combined costs in respect of the Scheme will amount to approximately:

11.2.2.1 R5 080 000 for professional advisors;

11.2.2.2 R330 000 for regulatory fees including filing fees; and

11.2.2.3 R500 000 for printing and publishing.

12. EXCHANGE CONTROL REGULATIONS

12.1 Annexe 4 to this Document contains a summary of the Exchange Control Regulations as they apply to Scheme Participants.

12.2 A Scheme Participant who is not resident in, or who has a registered address outside, South Africa must satisfy itself as to the full observance of the laws of any relevant territory 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 in such territory.

13. RESTRICTED JURISDICTIONS

13.1 To the extent that the distribution of this Document in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Document is deemed to have been provided for information purposes only and neither the BESA Board nor the JSE Board accepts any responsibility for a failure by a Scheme Participant to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

13.2 Scheme Participants who are in doubt as to their position should consult their professional advisors.

14. AUTHORS

The authors of this explanatory statement are the BESA Board and the JSE Board.

For and on behalf of

BOND EXCHANGE OF SOUTH AFRICA LIMITED

Nonkululeko Nyembezi-Heita
Chairman

Melrose Arch
20 January 2009

For and on behalf of

JSE LIMITED

Humphrey Borkum
Chairman

Sandton
20 January 2009

Building better markets

Bond Exchange of South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)
("BESA")

JOHANNESBURG STOCK EXCHANGE

JSE Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/022939/06)
Share code: JSE ISIN: ZAU000000010
("**JSE**")

SCHEME OF ARRANGEMENT IN TERMS OF SECTION 311 OF THE COMPANIES ACT

Directors of BESA

Executive

G W Greubel *(Chief Executive Officer)*
G A Brookes

Non-executive

N M C Nyembezi-Heita *(Chairman)*
J M Berman #
G B D Brown *
R Gasant
M J Janse van Rensburg
K B Motshabi
C C Okeahalam #
I Plenderleith #
M R Weldon *

British

* New Zealand

Directors of the JSE

Executive

R M Loubser *(Chief Executive Officer)*
J H Burke
F M Evans
N F Newton-King
L V Parsons

Non-executive

H J Borkum *(Chairman)*
A D Botha
M R Johnston
D M Lawrence
W Luhabe
A Mazwai
N S Nematswerani
N Payne
G Serobe

1. DEFINITIONS AND INTERPRETATIONS

In this Scheme of Arrangement, unless the context indicates otherwise, references to the singular shall include the plural and *vice versa*; words denoting one gender include the other; words and expressions denoting natural persons include legal persons and associations of persons; and the following words and expressions have the meanings assigned to them below:

"**BESA**"	Bond Exchange of South Africa Limited (registration number 2007/034441/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act (Act 36 of 2004);
"**Business Day**"	any day, other than a Saturday, Sunday or gazetted public holiday in South Africa;

"**Companies Act**"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"**Conditions Precedent**"	the conditions precedent to which the Scheme is subject, as set out in paragraph 6 of the Scheme;
"**Court**"	the High Court of South Africa (Witwatersrand Local Division), which is located at the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg;
"**Document**"	this bound circular, dated 20 January 2009, together with all annexures, attachments and forms, including the Scheme;
"**Documents of Title**"	share certificates and duly completed share transfer forms, or other documents acceptable to the JSE, in respect of the Scheme Shares. If the Documents of Title are already in the possession of the Transfer Secretaries then you are required only to complete the attached Form of Surrender *(green)* together with a duly completed share transfer form, which shall on delivery thereof to the Transfer Secretaries be deemed to be the simultaneous irrevocable authorisation and instruction to the Transfer Secretaries to deliver the Documents of Title to the JSE in accordance with the provisions of this Document;
"**Encumbrances**"	any pledge, mortgage, lien, or other hypothecation or security interest of any kind, or any option, right of pre-emption, right of first refusal, or any other third party rights (real or personal);
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"**Finalisation Date**"	the date on which an announcement is released on SENS advising that all Conditions Precedent have been fulfilled and that the Scheme is unconditional in all respects, which date is expected to be 6 May 2009;
"**Form of Surrender**"	the form of surrender and acceptance *(green)* attached to this Document;
"FSB"	the Financial Services Board, established under the Financial Services Board Act, 1990 (Act 97 of 1990), and the regulator of BESA and the JSE;
"**JSE**"	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act (Act 36 of 2004), which has proposed the Scheme;
"**Last Practicable Date**"	15 January 2009, being the last practicable date for gathering and finalising information for inclusion in this Document;
"**Long Stop Date**"	30 June 2009, or such other date which is agreed in writing before that date between BESA and the JSE;
"**Operative Date**"	the first Business Day following the Scheme Consideration Record Date, being the date on which the Scheme becomes operative, which operative date is expected to be 18 May 2009;
"**Press**"	the newspapers being Die Sake Beeld and Business Day;
"**Rand**" or "**R**" or "**cents**"	South African Rand and cents, the lawful currency of South Africa;
"**Register**"	the register of Shareholders of BESA maintained by BESA in terms of the Companies Act;
"**Registrar**"	the Registrar of Companies;

"**Scheme**" or "**Scheme of Arrangement**"	this scheme of arrangement in terms of section 311 of the Companies Act proposed by the JSE between BESA and its Shareholders, which scheme of arrangement is included in this Document and commences on page 23 of this Document;
"**Scheme Consideration**"	the cash consideration payable to each Scheme Participant in terms of the Scheme, being R125 per Scheme Share;
"**Scheme Consideration Last Day to Trade**"	the last Business Day of the week during which the Finalisation Date occurs, being the last day to trade Shares in order to be registered in the Register on the Scheme Consideration Record Date, which scheme consideration last day to trade date is expected to be on 8 May 2009;
"**Scheme Consideration Record Date**"	17:00 on the 5th (fifth) Business Day immediately following the Scheme Consideration Last day to Trade, and which scheme consideration record date is expected to be at 17:00 on 15 May 2009;
"**Scheme Meeting**"	the meeting of Scheme Members to be held at 10:00 on 6 February 2009 at the InterContinental Sandton Sun Hotel, corner Fifth and Alice Street, Sandton, South Africa to consider and vote on the Scheme, or any adjournment thereof;
"**Scheme Members**"	Shareholders who are entitled to attend and vote at the Scheme Meeting, being those Shareholders recorded as such in the Register on the Voting Record Date;
"**Scheme Participants**"	Shareholders who are entitled to receive the Scheme Consideration, being those Shareholders recorded as such in the Register, on the Scheme Consideration Record Date;
"**Scheme Shares**"	the Shares held by Scheme Participants;
"**SENS**"	the Securities Exchange News Service;
"**Shareholders**"	persons recorded in the Register as holding Shares;
"**Shares**"	ordinary shares of R0.001 each in the issued share capital of BESA;
"**SRP**"	the Securities Regulation Panel established in terms of section 440B of the Companies Act;
"**SRP Code**"	the Securities Regulation Code on Takeovers and Mergers and the Rules of the SRP issued pursuant to the Companies Act;
"Substitute Offer"	the substitute offer by the JSE to the Shareholders, the full details of which are set out from page 56 of this Document;
"**Transfer Secretaries**"	Computershare Investor Services (Proprietary) Limited (registration number 2004/00364/07), a private company registered in accordance with the laws of South Africa, which shall act as transfer secretaries in respect of the Shares;
"**Voting Last Day to Trade**"	28 January 2009 being the last day to trade Shares in order to be registered in the Register on the Voting Record Date and to be able to vote at the Scheme Meeting; and
"**Voting Record Date**"	10:00 on 4 February 2009 being the day 2 (two) Business Days preceding the date of the Scheme Meeting, or 10:00 on the day 2 (two) Business Days preceding the date of any adjourned Scheme Meeting, being the latest time and date for Shareholders to be registered as such in the Register in order to be entitled to vote at the Scheme Meeting, or at any adjournment of the Scheme Meeting, as the case may be.

2. INTRODUCTION

This Document contains the Scheme proposed by the JSE between BESA and its Shareholders. A detailed explanation of the effects of the Scheme is contained in paragraph 5 below.

3. SHARE CAPITAL OF BESA

3.1 As at the Last Practicable Date, the authorised and issued share capital of BESA was as follows:

Authorised	
10 000 000 ordinary shares of R0.001 each	R10 000.00
Issued	
1 924 655 ordinary shares of R0.001 each	R1 924.66

3.2 All of the Shares rank *pari passu* in all respects.

4. THE OBJECT OF THE SCHEME

The object of the Scheme is to procure that the JSE acquires all of the Scheme Shares so as to constitute the JSE as the owner of the entire issued share capital of BESA in return for the Scheme Consideration. The Scheme will result in BESA becoming a wholly-owned subsidiary of the JSE.

5. THE SCHEME

5.1 BESA and the Scheme Participants agree that if the Scheme takes effect and becomes operative:

5.1.1 the Scheme Participants shall be deemed to have disposed of their Scheme Shares, free of Encumbrances, to the JSE on the Operative Date in exchange for the Scheme Consideration and the JSE shall be deemed to have acquired ownership of all the Scheme Shares from the Operative Date;

5.1.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by the Scheme Participant to the JSE, and the acquisition of ownership of those Scheme Shares by the JSE, pursuant to the provisions of paragraph 5.1.1 of the Scheme, shall be effected on the Operative Date;

5.1.3 each Scheme Participant shall be deemed to have transferred to the JSE, on the Operative Date, all of the Scheme Shares held by the Scheme Participant, without any further act or instrument being required. Scheme Participants shall be entitled to receive the Scheme Consideration from BESA only in terms of paragraphs 7, 8 and 9 below; and

5.1.4 the JSE shall deliver to BESA as principal, or the Transfer Secretaries as agent for BESA, on the Operative Date, the total Scheme Consideration to which Scheme Participants are entitled and BESA, as principal, or the Transfer Secretaries, as agent for BESA, will pay the Scheme Consideration due to the Scheme Participants in accordance with paragraph 9 below.

5.2 Each Scheme Participant irrevocably and *in rem suam* authorises BESA, as principal, with power of substitution, to:

5.2.1 cause the Scheme Shares disposed of by the Scheme Participants in terms of the Scheme to be transferred to, and registered in the name of, the JSE on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as BESA in its discretion considers necessary in order to effect that transfer and registration;

5.2.2 collect, or procure that the Transfer Secretaries as agent for and on behalf of BESA collect, the total Scheme Consideration from the JSE for distribution (of the relevant portion thereof) to such Scheme Participants; and

5.2.3 receive the Scheme Participant's surrender, or procure that the Transfer Secretaries, as agent for and on behalf of BESA, receive the Scheme Participant's surrender of the Documents of Title relating to the Scheme Participant's Scheme Shares.

5.3 If the Scheme is agreed to by a majority representing not less than three-fourths of the votes exercisable by the Scheme Members present and voting, either in person or by proxy, at the Scheme Meeting and the Conditions Precedent (other than those relating to the sanctioning of the Scheme and the registration by the Registrar of the order of Court sanctioning the Scheme) are fulfilled, then BESA shall apply to the Court for an order sanctioning the Scheme.

5.4 The Scheme Consideration shall be paid, 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 the JSE or BESA may otherwise be, or claim to be, entitled against any Scheme Participant.

5.5 BESA, as principal, shall procure that the JSE complies with its obligations under the Scheme, and BESA alone shall have the right to enforce those obligations (if necessary) against the JSE.

5.6 The rights of the Scheme Participants to receive the Scheme Consideration shall be enforceable by them only against BESA and then only to the extent of requiring BESA, as principal, to enforce performance by the JSE of its obligations in terms of the Scheme.

5.7 BESA undertakes in favour of the Scheme Participants that it shall, as principal, enforce all rights which it may have in terms of the Scheme against the JSE (if necessary).

5.8 The Scheme shall be implemented on the Operative Date.

5.9 The effect of the Scheme shall be that from the Operative Date, the JSE shall beneficially own the entire issued share capital of BESA. Documents of Title held by Scheme Participants in respect of the Scheme Shares shall cease to be of any value and shall not be good for delivery from the Operative Date, other than for surrender in terms of paragraph 8 below.

6. CONDITIONS PRECEDENT

6.1 The Scheme is subject to the fulfilment of the following Conditions Precedent:

6.1.1 the approval at the Scheme Meeting or at any adjournment thereof, of the Scheme by a majority representing not less than three-fourths of the votes exercisable by the Scheme Members present and voting, either in person or by proxy;

6.1.2 by no later than the Long Stop Date, the sanctioning of the Scheme by the Court;

6.1.3 by no later than the Long Stop Date, a certified copy of the order of Court sanctioning the Scheme being registered by the Registrar in terms of the Companies Act; and

6.1.4 by no later than the Long Stop Date, all necessary regulatory approvals or consents to effect the Scheme having been granted, including but not limited to approvals and consents from the FSB, the SRP, the South African Reserve Bank and the South African competition authorities; provided that if any such approval is materially qualified or subject to material conditions, then the condition in this paragraph will only be deemed to be fulfilled if, prior to the Long Stop Date, the JSE agrees in writing to such qualification or condition and notifies BESA of same.

6.2 The Conditions Precedent may not be waived, but the period for their fulfilment may be extended beyond the Long Stop Date, in writing, by agreement between the JSE and BESA before the relevant fulfilment date and subject to the SRP's approval of any such agreed extended period.

6.3 The JSE and BESA will use their reasonable endeavours to procure the fulfilment of each of the Conditions Precedent as soon as reasonably practicable.

6.4 If the Conditions Precedent are fulfilled, BESA will apply to the Court for an order sanctioning the Scheme as soon as reasonably practicable after their fulfilment.

6.5 If the Conditions Precedent stated above are not met by the Long Stop Date or by such later date as agreed to by the JSE and BESA in writing, the Scheme will fail to become operative and will be of no further force and effect.

6.6 BESA shall, without delay, release an announcement on its website and publish a notice in the Press to notify Shareholders of the fulfilment of, the non-fulfilment of or the extension of the period for the fulfilment for, the Conditions Precedent.

7. THE SCHEME CONSIDERATION

Subject to paragraph 8 below, on the Operative Date, Scheme Participants shall be entitled to receive the Scheme Consideration of R125 for every Scheme Share held on the Scheme Consideration Record Date, in accordance with the provisions of paragraph 9.

8. SURRENDER OF DOCUMENTS OF TITLE

8.1 Scheme Participants must surrender their Documents of Title in respect of all their Scheme Shares in order to claim the Scheme Consideration. If the Documents of Title are already in the possession of the Transfer Secretaries then Scheme Participants are required only to complete the Form of Surrender *(green)* together with a duly completed share transfer form, which shall on delivery thereof to the Transfer Secretaries be deemed to be the simultaneous irrevocable authorisation and instruction to the Transfer Secretaries to deliver the Documents of Title to the JSE in accordance with the provisions of this Document.

8.2 Scheme Participants who wish to anticipate the implementation of the Scheme and expedite receipt of the Scheme Consideration should complete the Form of Surrender *(green)* and return it as soon as possible to the Transfer Secretaries, together with their Documents of Title, so as to be received by the Transfer Secretaries on or before the Scheme Consideration Record Date.

8.3 Alternatively, Scheme Participants may wait until the Operative Date, and surrender their Documents of Title under cover of the completed Form of Surrender *(green)* after that time, in which case the Scheme Consideration shall be posted to them, by registered post, within 5 (five) Business Days after receipt of their Form of Surrender or deposited directly into their bank account should they provide the requisite bank account details on the Form of Surrender *(green)*.

8.4 Pending the Operative Date, the Transfer Secretaries shall hold Documents of Title surrendered by Scheme Participants in anticipation of the Scheme becoming operative, on their behalf. If the Conditions Precedent to the Scheme fail or are not fulfilled by the Long Stop Date, the Transfer Secretaries shall retain such Documents of Title in trust or will, within 5 (five) Business Days of the date upon which it becomes known that the Scheme will not become operative, return the Documents of Title to the Scheme Participants (if such Scheme Participants no longer wishes such Documents of Title to be held in trust) concerned at their addresses recorded in the Register, by registered post, at the risk of such Scheme Participants, provided that where Scheme Participants have accepted the Substitute Offer, the Transfer Secretaries shall retain the Documents of Title surrendered by such Scheme Participants in anticipation of the Substitute Offer being implemented. If the Substitute Offer fails for any reason, the Transfer Secretaries shall retain such Documents of Title in trust or will, within 5 (five) Business Days of the date upon which it becomes known that the Substitute Offer has failed, return the Documents of Title to the Scheme Participants (if such Scheme Participants no longer wishes such Documents of Title to be held in trust) concerned at their addresses recorded in the Register, by registered post, at the risk of such Scheme Participants.

8.5 No receipts shall be issued for Documents of Title surrendered unless specifically requested. Persons so requesting receipts are requested to prepare special transaction receipts if required.

8.6 If Documents of Title have been lost or destroyed and the Scheme Participant produces evidence to this effect to the satisfaction of both BESA and the JSE, the JSE may dispense with the requirement to surrender the Documents of Title against provision of an indemnity in a form acceptable to the JSE in its sole discretion. The cost of the indemnity shall be borne by the Scheme Participant concerned.

9. SETTLEMENT OF THE SCHEME CONSIDERATION

9.1 If the Scheme becomes operative, Scheme Participants shall be entitled to receive, subject to paragraph 8.1, the Scheme Consideration on the Operative Date. The JSE shall pay the aggregate Scheme Consideration to BESA and BESA shall, through the Transfer Secretaries, administer and effect payment of the Scheme Consideration to the Scheme Participants. Provided that the Documents of Title have been validly surrendered

on or before the Scheme Consideration Record Date, the Scheme Consideration shall be posted by the Transfer Secretaries to such Scheme Participants in accordance with paragraph 9.4 below, on or about the Operative Date.

9.2 Alternatively, and provided that their Documents of Title have been validly surrendered on or before the Scheme Consideration Record Date, Scheme Participants may elect to receive the Scheme Consideration by electronic transfer, directly into the relevant Scheme Participant's bank account, by providing relevant details on the Form of Surrender *(green)*.

9.3 In the event that the Form of Surrender *(green)* and Documents of Title are received after the Scheme Consideration Record Date, the Scheme Consideration shall be posted, in accordance with paragraph 9.4 below, to relevant Scheme Participants by the Transfer Secretaries within 5 (five) Business Days of the date on which such documents are received or deposited directly into their bank account in South Africa within 5 (five) Business Days of the date on which such documents are received, should they provide bank account details on the Form of Surrender *(green)*.

9.4 Where the Scheme Consideration due to Scheme Participants is to be posted, it shall be despatched, by registered post, to such Scheme Participants at their risk, to their addresses registered in the Register, unless a different address is provided in the Form of Surrender *(green)*.

9.5 Where on or subsequent to the Operative Date, a person who was not a registered holder of Scheme Shares on the Scheme Consideration Record Date tenders to the Transfer Secretaries, Documents of Title together with a Form of Surrender, purporting to have been executed by or on behalf of the registered holder of such Shares and provided that:

9.5.1 the Scheme Consideration shall not already have been posted or delivered to the registered holder or deposited directly into the registered holder's bank account; and

9.5.2 the JSE and BESA are (if so required by either or both of them) given an indemnity on terms acceptable to them in respect of such Scheme Consideration,

such transfer shall be accepted by the JSE and BESA as if it were a valid transfer to such person of the Scheme Shares concerned. The Scheme Consideration shall be posted, by registered post, to such person at the address provided on the Form of Surrender, within 5 (five) Business Days of such tender, at such person's risk, and subject to the provision of proof satisfactory to the JSE and BESA as to the payment of any securities transfer tax payable.

9.6 If:

9.6.1 the Scheme Consideration is not sent to Scheme Participants entitled thereto (or transferred directly into such Scheme Participant's bank account if instructions to this effect have been received), because the relevant Documents of Title have not been validly surrendered; or

9.6.2 having been sent, the Scheme Consideration is returned undelivered to the Transfer Secretaries;

the relevant Scheme Consideration shall be held by the Transfer Secretaries on behalf of, and for the benefit of, the Scheme Participant concerned until claimed. In either event, no interest shall accrue or be paid on any amount payable to a Scheme Participant arising from the Scheme Consideration being held on his behalf.

9.7 The Scheme Consideration shall be paid, 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 the JSE or BESA may otherwise be, or claim to be, entitled against any Scheme Participant.

10. UNDERTAKINGS

The JSE and BESA each agree that upon the Scheme becoming operative, they shall give effect to the terms and conditions of the Scheme insofar as they relate to them and they shall sign and procure the signing of all documents and carry out and procure the carrying out of all acts within their respective power or control, which are necessary to give effect to the Scheme.

11. INSTRUCTIONS AND AUTHORITIES

Each mandate, instruction or authority in regard to the Scheme Shares recorded with BESA at the Scheme Consideration Record Date will be deemed, unless and until revoked, to be a mandate, instruction or authority to BESA and the JSE in respect of any rights accruing in respect of the Scheme Consideration.

12. GOVERNING LAW

The Scheme will be governed by and construed in accordance with the laws of South Africa and will be subject to the exclusive jurisdiction of the South African courts.

13. EXCHANGE CONTROL REGULATIONS

13.1 Annexe 4 to this Document contains a summary of the Exchange Control Regulations as they apply to Scheme Participants.

13.2 A Scheme Participant who is not resident in, or who has a registered address outside South Africa, must satisfy itself as to the full observance of the laws of any relevant territory 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 in such territory.

14. RESTRICTED JURISDICTION

14.1 To the extent that the distribution of this Document in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Document is deemed to have been provided for information purposes only and neither the directors of BESA nor the directors of the JSE accepts any responsibility for a failure by a Scheme Participant to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

14.2 Scheme Participants who are in doubt as to their position should consult their professional advisors.

15. GENERAL

15.1 Subject to obtaining the prior written consent of the JSE (which consent shall not be unreasonably withheld) and the approval of the SRP, the directors of BESA may consent:

15.1.1 before or at the Scheme Meeting or any adjournment thereof, to any amendment, variation or modification of the Scheme; or

15.1.2 after the Scheme Meeting, to any amendment, variation or modification which the Court may think fit to approve or impose,

provided that no amendment, variation or modification made after the Scheme Meeting may have the effect of diminishing the rights which will accrue to a Scheme Participant in terms of the Scheme.

15.2 A certificate signed by a director of each of the JSE and BESA stating that all the Conditions Precedent have been fulfilled and that the Scheme has become operative shall be binding on BESA, the JSE and the Scheme Participants.

15.3 The JSE and BESA shall each pay its own costs of implementing the Scheme, including those costs incurred in preparing, signing and carrying the Scheme into effect and all matters incidental to it, and the payment of duties and taxes on the transfer of the Scheme Shares to the JSE.

15.4 BESA shall be entitled, and shall have the authority, on behalf of itself and, after the Scheme has become operative, each Scheme Participant, to authorise any person nominated by BESA to sign all documents required to carry the Scheme into effect, including but not limited to proxies, changes of address and cessions of rights to dividends and other entitlements from BESA.

15.5 If any provision in a definition is a substantive provision conferring a right or imposing an obligation

on any party then, notwithstanding that it is only a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Scheme.

15.6 When the order of Court sanctioning the Scheme is registered by the Registrar, the Scheme shall be binding on all Scheme Participants, even those who voted against it, even though the Scheme shall not become operative until the Operative Date.

15.7 All times and dates referred to in the Scheme are subject to change by agreement between BESA and the JSE and are subject to the SRP Code. An announcement regarding any such change will be released on SENS and published in the Press as soon as reasonably possible thereafter.

For and on behalf of

BOND EXCHANGE OF SOUTH AFRICA LIMITED

Nonkululeko Nyembezi-Heita
Chairman

Melrose Arch
20 January 2009

For and on behalf of

JSE LIMITED

Humphrey Borkum
Chairman

Sandton
20 January 2009

Building better markets

Bond Exchange of South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06])

VALUATION STATEMENT IN TERMS OF SECTION 312(1)(a)(ii) OF THE COMPANIES ACT

1. DEFINITIONS AND INTERPRETATIONS

The definitions and interpretation commencing on page 8 of this Document have been used in this valuation statement.

2. HISTORY AND NATURE OF BUSINESS

2.1 As a mutual association, BESA was awarded its exchange license on 15 May 1996. On 3 December 2007, the association was converted into an unlisted public South African company under the name "Bond Exchange of South Africa Limited".

2.2 The business of BESA is as set out in paragraph 2 (commencing on page 12) of the explanatory statement.

3. RATIONALE FOR THE SCHEME AND ANTICIPATED BENEFITS TO SHAREHOLDERS

The rationale of the Scheme and the anticipated benefits to Shareholders are as set out in paragraph 4 (commencing on page 13) of the explanatory statement.

4. FINANCIAL INFORMATION RELATING TO BESA

Historical financial information (and certain historical *pro forma* information) extracted/calculated from the audited annual financial statements of BESA for the 4 (four) financial years ended 31 December 2007 is set out in Annexe 1.

5. *PRO FORMA* FINANCIAL EFFECTS ON SCHEME PARTICIPANTS

The table below sets out the unaudited *pro forma* financial effects of the Scheme on Scheme Participants, based on the assumptions stated. These unaudited *pro forma* financial effects have been prepared for illustrative purposes only, in order to provide information on how the Scheme may have affected a Shareholder in respect of each Scheme Share disposed of pursuant to the Scheme, had the Scheme been implemented on the dates indicated in the notes below. The *pro forma* financial effects are the responsibility of the BESA Board. Due to their nature, the unaudited *pro forma* financial effects may not give a true reflection of the financial effects of the Scheme on a Scheme Participant.

	Before the Scheme R	After the Scheme R	Change %
Net asset value per Share	95.43[3]	125.00[4]	31.0
Net tangible asset value per Share	95.08[3]	125.00[4]	31.5
Rights Issue Price per Share/Scheme Consideration per Share	73.17[3]	125.00[4]	70.8
Earnings per Share	(1.83)[1]	8.61[2]	571.0
Headline earnings per Share	(1.83)[1]	8.61[2]	571.0

1. The "Before the Scheme" EPS and HEPS were based on the audited results of BESA for the year ended 31 December 2007. No adjustment was made to the "Before the Scheme" EPS and HEPS in respect of the rights issue as the income to be derived therefrom was uncertain at the time of preparing the *pro forma* financial effects for the BESA Rights Issue Circular.
2. The "After the Scheme" EPS and HEPS are based on the assumption that the Scheme became operational on 1 January 2007 and that the Scheme Consideration of R125 per share was reinvested by a Scheme Participant to earn an after tax return of 6.89%, being the money market rate for the period adjusted for a corporate tax rate of 29%. Shareholders should apply their own appropriate tax rate for a more accurate reflection of personal circumstances.
3. The "Before the Scheme" NAV and NTAV were extracted from the BESA Rights Issue Circular relating to the rights issue of 1 104 657 shares at R73.17 per share (before transaction costs), which has previously been reported on by PricewaterhouseCoopers Inc. BESA's NAV and NTAV, excluding the Fund whose assets do not belong to BESA, were R44.07 and R43.72 respectively.
4. The "After the Scheme" NAV and NTAV reflect the Scheme Consideration of R125 per BESA share.

The independent reporting accountant's report on the *pro forma* financial effects of the Scheme in relation to a Scheme Participant is set out in Annexe 2 to this Document.

6. OPINIONS AND RECOMMENDATIONS

6.1 Independent advisor's recommendation

The BESA Board appointed Ernst & Young Advisory Services Limited ("**EY**") as independent advisor to provide it with external advice as required by the SRP Code as to the fairness of the terms and conditions of the Scheme. EY has considered the terms and conditions of the Scheme and has advised the BESA Board that as at 12 December 2008 it is of the opinion that the terms and conditions of the Scheme are fair and reasonable to Shareholders. Shareholders are referred to the opinion letter from EY, which is set out in Annexe 3.

6.2 BESA Board recommendation

6.2.1 The BESA Board has considered the terms and conditions of the Scheme and the advice of EY and, in addition, has given extensive consideration to the views of Shareholders, market participants and key stakeholders.

6.2.2 The BESA Board is of the view that the Scheme Consideration can be considered as fair consideration to Shareholders for their Shares and notes that it is within the value range indicated by EY.

6.2.3 The BESA Board is also of the view that any support for the Scheme should be considered in light of the requirements for efficient capital markets in South Africa. The BESA Board has confirmed with the JSE that, as reflected in the Joint Announcement, the intention is that key elements of the BESA businesses and structure will remain intact and that the views and considerations of all market participants will be canvassed in order to finalise the fixed income growth strategy for the combined entity.

6.2.4 Taking into account, *inter alia*:

6.2.4.1 the increase in the Scheme Consideration;

6.2.4.2 the EY opinion;

6.2.4.3 the views of, and the level of support shown by, Shareholders for the Scheme;

6.2.4.4 the BESA Board's firm view on market structures; and

6.2.4.5 the commitment of the JSE to consider and implement key structural issues as set out above,

the BESA Board recommends that Shareholders vote in favour of the Scheme.

6.3 Shareholders should note that the Scheme requires regulatory and competition authority approval prior to the Scheme being implemented, which approval may or may not be received in accordance with the relevant legislation. If the required regulatory and competition authority approval are not obtained as set out in this Document the Scheme will fail.

7. Tax implications for Scheme Participants

Participating in the Scheme will have tax implications for Scheme Participants. The nature of the tax implications, whether related to income tax or capital gains tax or any other tax, may vary from one Scheme Participant to another. The jurisdiction in which a Scheme Participant resides may also have a bearing on the tax implications. In light of these facts the tax implications for participating in the Scheme are not set out in this Document. Scheme Participants are advised to seek professional advice as to the appropriate tax treatment for their respective tax jurisdictions.

For and on behalf of

BOND EXCHANGE OF SOUTH AFRICA LIMITED

Nonkululeko Nyembezi-Heita
Chairman

Melrose Arch
20 January 2009

Building better markets

Bond Exchange of South Africa Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)
("BESA")

JOHANNESBURG STOCK EXCHANGE

JSE Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/022939/06)
Share code: JSE ISIN: ZAU000000010
("**JSE**")

STATEMENT OF DIRECTORS' INTERESTS IN TERMS OF SECTION 312(1)(a)(iii) OF THE COMPANIES ACT

1. DEFINITIONS AND INTERPRETATIONS

The definitions and interpretation commencing on page 8 of this Document have been used in this statement of directors' interests.

2. THE INTERESTS OF BESA AND ITS DIRECTORS

2.1 On the Last Practicable Date, the directors of BESA held no direct interests in BESA.

2.2 On the Last Practicable Date, Mark Weldon, a non-executive director of BESA, holds the position of chief executive officer in New Zealand Exchange Limited, which holds 423 424 Shares.

2.3 The directors of BESA have not dealt in the Shares during the period beginning 6 months prior to the Firm Intent Announcement and ending on the Last Practicable Date.

2.4 On the Last Practicable Date, BESA held no Shares in the JSE.

2.5 On the Last Practicable Date, the directors of BESA held no direct interest in the JSE.

2.6 On the Last Practicable Date, Ian Plenderleith a non-executive director of BESA is also a non-executive director of Sanlam Limited and its subsidiary, Sanlam Investment Management, holds 468 040 JSE shares in unit trust funds. Save for this paragraph, no other BESA director holds any indirect interest in the JSE.

2.7 BESA's directors' emoluments will not be affected by the Scheme. It is, however, the JSE's intention, once the Scheme becomes operative, to transfer the business of BESA to the JSE to enable the full integration of the operations of the two exchanges and to then wind up BESA. In the interim, and only once the Scheme becomes operative, the JSE will seek to reconstitute the BESA Board so as to ensure that the JSE is adequately represented and that the BESA Board as a whole continues to be comprised of stakeholders who are knowledgeable about and able to contribute to the strategic development of South Africa's capital markets.

2.8 Directors' emoluments for the 2006 and 2007 financial years were as follows:

Non-executive directors' remuneration	Group and Company 2007 R	2006 R
Nku Nyembezi-Heita	317 250	306 500
Khanya Motshabi	226 425	170 000
Rhidwaan Gasant	213 225	194 250
Marilyn Visser	212 700	202 000
Jonathan Berman	179 400	165 000
Charles Okeahalam	164 000	151 000
Martie Janse van Rensburg*	145 300	150 000
Petrus Balt	139 800	161 000
Ian Plenderleith**	73 100	–
	1 671 200	1 499 750

* Meeting fees are paid to the Company of the director.

** Joined Board on 1 August 2007.

Key management compensation	Group and Company 2007 R	2006 R
G W Greubel and G Brookes – Salaries and other short-term employment benefits*	1 829 167	2 145 844

* G Brookes joined the Board on 1 August 2007.

2.9 BESA has entered into service agreements with its two executive directors.

2.10 Early in 2008, and prior to the approach by the JSE as set out in the Firm Intent Announcement, the CEO had indicated his intention not to renew his contract at the expiry of its term on 31 December 2008, due to his decision to gain experience working abroad. Following discussions with the BESA Board, the CEO has agreed to extend his contract and to remain with BESA until 30 June 2009. The terms of his extended contract are largely similar to those of the original contract, and the quantum involved is not material in the context of the Scheme.

2.11 The chief financial officer's service agreement does not contain any particulars which are material to the Scheme and will not change as a consequence of the Scheme.

2.12 Save as set out in this Document, no contracts with the directors have been entered into or amended in the 6 (six) month period prior to the Last Practicable Date.

2.13 No director of BESA has or had any interest, directly or indirectly, in any transaction which was effected by BESA during the current financial year or in respect of any previous financial year and which remains in any respect outstanding or unperformed.

3. THE INTERESTS OF THE JSE AND ITS DIRECTORS

3.1 On the Last Practicable Date, the JSE held no Shares in BESA.

3.2 On the Last Practicable Date, the JSE non-executive directors below hold positions at the following Shareholders:

3.2.1 Humphrey Borkum is the chairman of Merrill Lynch South Africa (Proprietary) Limited, which holds 20 000 Shares;

3.2.2 David Lawrence is deputy chairman of Investec Bank Limited, which holds 272 268 Shares;

3.2.3 Andile Mazwai is the group chief executive officer of BJM Holdings Limited and its subsidiary, Barnard Jacobs Mellet Securities (Proprietary) Limited holds 20 000 Shares; and

3.2.4 Gloria Serobe is the chief executive officer of Wipcapital (Proprietary) Limited and its subsidiary, Legae Securities (Proprietary) Limited holds 10 000 Shares. Ms Serobe is also a non-executive director of Nedbank Limited which holds 82 150 Shares.

3.3 The JSE has no concert parties in respect of the Scheme.

4. SPECIAL ARRANGEMENTS

4.1 Save as set out in this Document, no agreements, arrangements or undertakings have been made between the JSE and BESA, or any persons acting in concert with these parties, in relation to the Scheme Shares.

4.2 Save as set out in this Document, no agreement, arrangement or understanding which may have a connection with or dependence upon the Scheme, exists between the JSE and any of the directors of BESA or persons who were directors of BESA within the preceding 12 months, or holders of Shares or persons who were holders of Shares within the preceding 12 months.

For and on behalf of

BOND EXCHANGE OF SOUTH AFRICA LIMITED

Nonkululeko Nyembezi-Heita
Chairman

Melrose Arch
20 January 2009

For and on behalf of

JSE LIMITED

Humphrey Borkum
Chairman

Sandton
20 January 2009

Building better markets

Bond Exchange of South Africa Limited
(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)
("BESA")

JOHANNESBURG STOCK EXCHANGE

JSE Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/022939/06)
Share code: JSE ISIN: ZAU000000010
("**JSE**")

ADDITIONAL INFORMATION INCLUDING THAT REQUIRED BY THE SRP

1. DEFINITIONS AND INTERPRETATIONS

The definitions and interpretation commencing on page 8 of this Document, apply to this section.

2. CONFIRMATION OF FINANCIAL RESOURCES

First National Bank of South Africa Limited has provided, as required in terms of the SRP Code, a letter to the SRP confirming that the JSE has sufficient cash resources available to satisfy the Scheme Consideration.

3. MAJOR SHAREHOLDERS

At the Last Practicable Date, as far as the directors of BESA are aware, the following Shareholders are, directly or indirectly, beneficially interested in more than 5% of the issued Shares.

Shareholder	Number of shares	Percentage of issued share capital
NZX Holdings No. 3 Limited	423 424	22.00
Investec Bank Limited	272 268	14.15
Standard Bank Corporate & Investment Banking	133 237	6.92
PSG Prime (Proprietary) Limited	115 010	5.98
Purple Capital Limited	102 826	5.34

4. IRREVOCABLE UNDERTAKINGS

As at the Last Practicable Date, the following Shareholders, representing 76.01% of the voting rights of all the Shares, have irrevocably undertaken to vote in favour of the Scheme:

Shareholders	Number of shares	Percentage of shares
NZX Holdings No. 3 Limited	423 424	22.00
Investec Bank Limited	272 268	14.15
PSG Prime (Pty) Limited	115 010	5.98
Nedbank Limited	82 150	4.27
Rand Merchant Bank (A Division of FirstRand Bank Limited)	49 290	2.56
HCI Treasury (Pty) Limited	32 860	1.71
ABSA Bank Limited	20 000	1.04
Barnard Jacobs Mellet Securities (Pty) Limited	20 000	1.04
Merrill Lynch South Africa (Pty) Limited	20 000	1.04
Cadiz Securities (Pty) Limited	16 430	0.85
Cadiz Special Projects (Pty) Limited	16 430	0.85
Citibank N.A., South Africa	16 430	0.85
Investec Securities Limited	16 430	0.85
Mercantile Bank Limited	16 430	0.85
Nedcor Securities (Pty) Limited	16 430	0.85
Prescient Securities (Pty) Limited	16 430	0.85
PSG Online Securities Limited	16 430	0.85
Public Investment Corporation	16 430	0.85
ABN Amro Bank N.V., Johannesburg Branch	10 000	0.52
AMB Advisory Services Limited	10 000	0.52
Coronation Capital Limited	10 000	0.52
Decillion Securities (Pty) Limited	10 000	0.52
Equisec Treasury Services (Pty) Limited	10 000	0.52
Finstruct Securities (Pty) Limited	10 000	0.52
Golding, Torr & De Decker (Pty) Limited	10 000	0.52
Kagiso Securities Limited	10 000	0.52
Legae Securities (Pty) Limited	10 000	0.52
Lowenco Nominees (Pty) Limited	10 000	0.52
Mittal Steel South Africa Limited Pensioenfonds	10 000	0.52
Momentum Group Limited	10 000	0.52
Money-Cap Asset Management (Pty) Limited	10 000	0.52
Old Mutual Life Assurance Company (SA) Limited	10 000	0.52
Peregrine Derivatives (Pty) Limited	10 000	0.52
Regiments Securities Limited	10 000	0.52
SA International and Capital Market Brokers (Pty) Limited	10 000	0.52
Sanlam Capital Markets Limited	10 000	0.52
Sanlam Securities (Pty) Limited	10 000	0.52
Telkom SA Limited	10 000	0.52
The Hong Kong and Shanghai Banking Corporation Limited – Johannesburg Branch	10 000	0.52
Thebe Securities Limited	10 000	0.52
Transnet Limited	10 000	0.52
Trans Caledon Tunnel Authority	10 000	0.52
TTSA Securities (Pty) Limited	10 000	0.52
T Sec (Pty) Limited	10 000	0.52
Vector Securities and Derivatives (Pty) Limited	10 000	0.52
West LB Securities SA (Pty) Limited	10 000	0.52
Total	**1 462 872**	**76.01**

5. ARRANGEMENTS, UNDERTAKINGS OR AGREEMENTS

5.1 There are no arrangements with, undertakings by or agreements between the JSE and BESA and persons acting in concert with either of them in relation to the Shares.

5.2 As a sign of good faith from the JSE, the JSE has agreed to indemnify BESA for legal costs incurred by BESA in respect of the Scheme and the competition filing, for the period from 10 December 2008 and up to a maximum of R1.25 million, provided that BESA has indeed co-operated fully with the JSE in obtaining all necessary approvals for the Scheme and provided further that the reason for the failure of the Scheme is the failure to obtain unconditional competition authority approval or the Scheme is approved, but subject to conditions which the JSE does not accept.

6. CONSENTS

6.1 In respect of BESA, each of Edward Nathan Sonnenbergs Incorporated, Absa Capital, Ernst & Young Advisory Services Limited and PricewaterhouseCoopers Incorporated have consented in writing to the inclusion of their names in this Document in the form and context in which it appears and have not withdrawn their consent thereto prior to the publication of this Document.

6.2 In respect of the JSE, each of Rand Merchant Bank and Webber Wentzel have consented in writing to the inclusion of their names in this Document in the form and context in which it appears and have not withdrawn their consent thereto prior to the publication of this Document.

6.3 The consent letters from each of the parties referred to in paragraphs 6.1 and 6.2 are available for inspection in terms of paragraph 11 below.

7. MATERIAL CHANGES

7.1 BESA completed a successful rights issue in early October 2008, in which it issued 1,104,655 Shares at R73.17 per Share for a total consideration of R80 827 606.

7.2 Save as disclosed above in this Document, there are no other known material changes in the financial or trading position of BESA since the last audited financial statements.

8. LITIGATION STATEMENT

There are no material legal or arbitration proceedings, including any proceedings that are pending or threatened of which BESA is aware, that may have, or have had, during the 12 (twelve) months preceding the Last Practicable Date, a material effect on the financial position of BESA.

9. MATERIAL CONTRACTS

Apart from the NASDAQ/OMX suite of agreements entered into by BESA during 2008 for the purposes of the BondClear Limited project, BESA has not entered into any significant material contracts, either verbally or in writing, during the 2 (two) years preceding the Last Practicable Date or at any other time, that contains an outstanding material obligation or settlement, other than in the ordinary course of business.

10. RESPONSIBILITY STATEMENT

The directors of BESA, whose names are given on page 1 of this Document, as far as the information in this Document relates to BESA, and the directors of the JSE, whose names are given on page 1 of this Document, as far as the information in this Document relates to the JSE:

- have considered all statements of fact and opinion in this Document;
- accept, individually and collectively, 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, the omission of which would make any statements contained in this Document false or misleading and that they have made all reasonable enquiries to ascertain such facts and in respect of the JSE, that the circular contains all information required by the JSE Listings Requirements.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies of such documents, will be available for inspection at the registered office of BESA situated at Mezzanine Level, 30 Melrose Boulevard, Melrose Arch, Johannesburg, South Africa during normal office hours from 20 January 2009 up to and including the date on which the Scheme is sanctioned:

11.1 this Document, incorporating the Scheme and the explanatory statement in terms of section 312(1)(a)(i) of the Companies Act;

11.2 the order of Court convening the Scheme Meeting;

11.3 the audited financial statements of BESA for the 4 (four) financial years ended 31 December 2007;

11.4 the memorandum and articles of association of BESA;

11.5 the written consent letters of the entities referred to in paragraph 6, relating to the inclusion of their names and reports (as the case may be) in this Document in the form and context in which they appear;

11.6 the Independent Advisor's Opinion regarding the terms of the Scheme;

11.7 the Independent Reporting Accountant's Report;

11.8 the Firm Intent Announcement and Joint Announcement; and

11.9 the irrevocable undertakings referred to in paragraph 4.

For and on behalf of

BOND EXCHANGE OF SOUTH AFRICA LIMITED

Nonkululeko Nyembezi-Heita
Chairman

Melrose Arch
20 January 2009

For and on behalf of

JSE LIMITED

Humphrey Borkum
Chairman

Sandton
20 January 2009

ORDER OF COURT

IN THE HIGH COURT OF SOUTH AFRICA
(WITWATERSRAND LOCAL DIVISION)

CASE NO 09/496
PH NO 342

Johannesburg, 13 January 2009

Before the Honourable Justice Claassen

In the *ex parte* application of:

BOND EXCHANGE OF SOUTH AFRICA LIMITED **Applicant**
(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)

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

IT IS ORDERED THAT:

1. a meeting (the "**Scheme Meeting**") in terms of section 311(1) of the Companies Act, 1973 (Act 61 of 1973), as amended (the "**Companies Act**"), of the shareholders of the Applicant registered as such at 10:00 on Wednesday, 4 February 2009 (the "**Scheme Members**") be convened in terms of the notice, referred to in paragraph 4, by the chairperson referred to in paragraph 2 below (the "**Chairperson**"), to be held on Friday, 6 February 2009 at 10:00, at the InterContinental Sandton Sun Hotel, corner Fifth and Alice Street, Sandton, South Africa for the purpose of considering and, if deemed fit, agreeing to, with or without modification, the scheme of arrangement (the "**Scheme**") proposed by the JSE Limited (the "**JSE**") between the Applicant and the Scheme Members in the form of Annexe "**C**" to the notice of motion in this matter; provided that the Scheme Meeting shall not be entitled to agree to any modification of the Scheme without the approval of the Applicant and the JSE;

2. Mark Andrew Phillips, a director of attorneys Read Hope Phillips Thomas and Cadman Incorporated, or failing him, Peter John Ledger Hope, a director of the same firm of attorneys, or failing both of them, an independent attorney or advocate nominated for that purpose by the Scheme's attorneys, be and is hereby appointed as chairperson of the Scheme Meeting;

3. the Chairperson is authorised to:

   3.1 procure the publication of the notice convening the Scheme Meeting in accordance with this Order;

   3.2 procure the despatch of the documents referred to in paragraph 7 below to the persons referred to in paragraph 5;

   3.3 convene the Scheme Meeting;

   3.4 adjourn the Scheme Meeting from time to time if the Chairperson considers it necessary or desirable to do so;

   3.5 require Scheme Members to vote by electronic means at the Scheme Meeting;

   3.6 appoint one or more scrutineers for the purposes of the Scheme Meeting and any adjourned meeting;

   3.7 determine the validity and acceptability of any Form of Proxy submitted for use at the Scheme Meeting or any adjournment thereof; and

   3.8 determine the procedure to be followed at the Scheme Meeting and any adjournment thereof;

4. the notice convening the Scheme Meeting, substantially in the form of Annexe "**F**" to the notice of motion, be published once in each of Business Day, Die Sake Beeld, the Sunday Times and Rapport, at least 14 (fourteen) calendar days before the date of the Scheme Meeting. Such notice shall state:

   4.1 the time, date and venue of the Scheme Meeting;

   4.2 that the Scheme Meeting has been convened in terms of this Order to consider and, if deemed fit, agree to, with or without modification, the Scheme;

4.3 that a copy of this Order, the Scheme and the explanatory statement in terms of section 312(1) of the Companies Act may be inspected and copies obtained free of charge during normal business hours at any time prior to the Scheme Meeting at Mezzanine Level, 30 Melrose Boulevard, Melrose Arch, Johannesburg, South Africa; and

4.4 the basic characteristics of the Scheme.

5. a copy of each of the documents referred to in paragraph 7 below shall be sent by pre-paid registered post by the Applicant at least 14 (fourteen) days before the date of the Scheme Meeting to each member of the Applicant whose name appears on the Applicant's register and whose name and address is identified by the transfer secretaries of the Applicant (the "**Transfer Secretaries**");

6. the identification of each such member and their respective addresses referred to in paragraph 5 shall take place as at 17:00 on a day not more than 5 (five) business days (being any day other than a Saturday, Sunday or gazetted public holiday) before the date of posting;

7. the documents referred to in paragraph 5 are:

7.1 the explanatory and other statements in terms of section 312(1)(a) of the Companies Act substantially in the form in which they appear in Annexe "**C**" to the notice of motion;

7.2 the scheme of arrangement in the form contained in Annexe "**C**" to the notice of motion;

7.3 the Form of Proxy to be used at the Scheme Meeting, or any adjournment thereof, substantially in the form contained in Annexe "**D**" to the notice of motion;

7.4 the Form of Surrender substantially in the form contained in Annexe "**E**" to the notice of motion;

7.5 the notice convening the Scheme Meeting substantially in the form contained in Annexe "**F**" to the notice of motion; and

7.6 this Order of Court;

8. evidence of:

8.1 the identification of the names and addresses referred to in paragraph 5 above shall be provided by an affidavit deposed to by the Transfer Secretaries; and

8.2 the date of posting of the documents to the persons referred to in paragraph 5 above, shall be provided by an affidavit deposed to by the printers of the Applicant, duly supported by Post Office receipts.

9. a copy of the documents referred to in paragraph 7 shall lie for inspection at, and copies of these documents may be obtained by shareholders of the Applicant on request, and free of charge, from the registered office of the Applicant at Mezzanine Level, 30 Melrose Boulevard, Melrose Arch, Johannesburg, South Africa during normal business hours for at least 14 (fourteen) days prior to the date of the Scheme Meeting;

10. the Chairperson shall report the results of the Scheme Meeting by way of affidavit to this Honourable Court as soon as practicable after the South African competition authorities' approval has been obtained, which court date is expected to be on Tuesday, 5 May 2009 at 10:00 or so soon thereafter as Counsel may be heard, giving details of:

10.1 the number and percentage of Scheme Members present in person at the Scheme Meeting, including those represented and the number of shares in the Applicant ("**Shares**") held by them;

10.2 the number and percentage of Scheme Members represented by proxy at the Scheme Meeting including the number of Shares held by them and of those Scheme Members so represented, the number and percentage represented by the Chairperson;

10.3 the number and percentage of Shares held by all the Scheme Members;

10.4 any proxies which have been disallowed and the reasons therefore;

10.5 all resolutions passed at the Scheme Meeting, or any adjournment thereof, with particulars of the number and percentage of votes cast in favour of and against each such resolution and of any abstentions, indicating in each case how many votes were cast by the Chairperson in terms of proxies;

10.6 all rulings made and directions given by the Chairperson at the Scheme Meeting or any adjournment thereof;

10.7 all questions asked at the Scheme Meeting relative to the merits or demerits of the Scheme and the answers given;

10.8 the relevant portions of all documents and reports submitted or tabled at the Scheme Meeting or any adjournment thereof which bear on the merits or demerits of the Scheme, including copies thereof;

10.9 the main points of any other proposal submitted to the Scheme Meeting or any adjournment thereof;

10.10 the views of those in favour of the Scheme and of those against it, and of the main reasons advanced in justification of those views;

11. the report required by the Court from the Chairman shall comply with the requirements of section FE of the Practice Manual of the Court;

12. the Applicant shall make a copy of the Chairperson's report to this Court available (and the notice of the Scheme Meeting shall include a statement that it will be so available) at the address mentioned in paragraph 9, free of charge, to any Scheme Member on request, during normal business hours from 16 February 2009, or if the Scheme Meeting is adjourned, from a date not later than 5 (five) days after the date of the adjourned Scheme Meeting.

By order of the Court

Registrar
13 January 2009

Webber Wentzel
Attorneys for the Scheme

10 Fricker Road
Illovo Boulevard
Johannesburg
Tel: (011) 530 5000
Ref: Mr J P Gouws/Mr J A K Jarvis

NOTICE OF SCHEME MEETING

IN THE HIGH COURT OF SOUTH AFRICA
(WITWATERSRAND LOCAL DIVISION) **CASE NO 09/496**

Before the Honourable Justice Claassen

In the *ex parte* application of:

BOND EXCHANGE OF SOUTH AFRICA LIMITED **Applicant**
(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06)

NOTICE IS HEREBY GIVEN THAT, in terms of an Order of Court in the above matter dated 13 January 2009, the High Court of South Africa (Witwatersrand Local Division) has ordered that a meeting (the "**Scheme Meeting**") in terms of section 311 of the Companies Act, 1973 (Act 61 of 1973), as amended (the "**Companies Act**"), of the shareholders of the Applicant registered as such at 10:00 on Wednesday, 4 February 2009 (the "**Scheme Members**"), be convened for the purpose of considering and, if deemed fit, of agreeing to, with or without modification, a scheme of arrangement (the "**Scheme**") proposed by the JSE Limited (the "**JSE**") between the Applicant and the Scheme Members, provided that the Scheme Meeting shall not be entitled to agree to any modification of the Scheme which has the effect of diminishing the rights that are to accrue to Scheme Members in terms of the Scheme.

The implementation of the Scheme is subject to the fulfilment of the conditions precedent stated therein including, but not limited to, the sanction of the above Honourable Court.

The Scheme Meeting will be held at the InterContinental Sandton Sun Hotel, corner Fifth and Alice Street, Sandton, South Africa, on Friday, 6 February 2009 at 10:00 under the chairmanship of Mark Andrew Phillips, a director of attorneys Read Hope Phillips Thomas & Cadman Incorporated, or failing him, Peter John Ledger Hope, a director of the same firm of attorneys or, failing both of them, an independent person nominated for that purpose by the Scheme's attorneys (the "**Chairperson**").

The basic characteristic of the Scheme is that, upon implementation, the JSE will acquire all of the Applicant's issued ordinary shares and the scheme participants will receive R125 in cash for each ordinary share in the Applicant.

Copies of this notice, the Scheme, the explanatory and other statements in terms of section 312(1)(a) of the Companies Act explaining the Scheme, the form of proxy to be used at the Scheme Meeting or any adjourned Scheme Meeting, and the Order of Court summoning the Scheme Meeting, are included in the Document to which this notice is attached and forms a part of and may be inspected or copies obtained, free of charge, during normal business hours, at any time prior to the Scheme Meeting, at the registered office of the Applicant, being Mezzanine Level, 30 Melrose Boulevard, Melrose Arch, Johannesburg, South Africa.

Scheme Members may attend, speak and vote in person at the Scheme Meeting or any adjourned Scheme Meeting, or may appoint a proxy (who needs not be a shareholder of the Applicant) to attend, speak and vote at the Scheme Meeting (or any adjourned Scheme Meeting) in the place of such Scheme Members. The required form of proxy accompanies this notice and may be obtained from the Applicant's address given above.

Each form of proxy must be properly completed and signed in accordance with the instructions printed thereon and must be lodged with or posted to the Applicant's transfer secretaries, Computershare Investor Services (Proprietary) Limited at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by them by no later than 10:00 on Wednesday, 4 February 2009, or 48 (forty eight) hours before any adjourned Scheme Meeting, or handed to the Chairperson of the Scheme Meeting no later than 10 (ten) minutes before the Scheme Meeting or adjourned Scheme Meeting is due to commence. Notwithstanding the aforegoing, the Chairperson may approve in his discretion the use of any other form of proxy.

Where there are joint holders of the Applicant's ordinary shares, any one of such persons may vote at the Scheme Meeting in respect of those shares as if such joint holder was solely entitled thereto, but if more than one of the joint holders is present or represented at the Scheme Meeting, then the vote of the joint holder whose name appears first in the Applicant's register of members in respect of such shares (or his proxy) will alone be entitled to vote in respect of those shares. If more than one person is appointed on a single form of proxy, then only one of those proxies (in order of appointment) will be entitled to exercise that proxy.

In terms of the aforementioned Order of Court, the Chairperson must report the results of the Scheme Meeting to the above Honourable Court as soon as practicable after the South African competition authorities' approval has been obtained, which court date is expected to be on Tuesday, 5 May 2009 at 10:00 or as soon thereafter as Counsel may be heard. A copy of the Chairperson's report to the Court will be available on request, free of charge, to any Scheme Member, at the registered office of the Applicant at the address stated above, during normal business hours from 16 February 2009, or, if the Scheme Meeting is adjourned, from a date not later than 5 (five) days after the date of the adjourned Scheme Meeting.

MARK ANDREW PHILLIPS
Chairperson of the Scheme Meeting

16 January 2009

Webber Wentzel
Attorneys for the Scheme

10 Fricker Road
Illovo Boulevard
Illovo
Johannesburg, 2196
PO Box 61771
Marshalltown, 2107
Tel: (011) 530 5000
Fax: (011) 530 5120
Ref: J P Gouws/J A K Jarvis

EXTRACTS OF AUDITED AND *PRO FORMA* HISTORICAL FINANCIAL INFORMATION

The historical financial information disclosed below has been extracted/calculated from the audited financial statements of BESA for the financial years ended 31 December 2005, 31 December 2006 and 31 December 2007. BESA adopted International Financial Reporting Standards (IFRS) for the preparation of the 31 December 2005 financial statements. The 2004 financial information disclosed below was extracted from the revised 2004 financial information disclosed in the 31 December 2005 financial statements.

The *pro forma* balance sheet after the rights issue was extracted from the BESA Right Issue Circular to BESA shareholders dated 5 September 2008.

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER

	2004 **R**	**2005** **R**	**2006** **R**	**2007** **R**
Turnover	31 284 195	33 614 745	43 006 060	47 738 021
Net profit/(loss) before tax	1 576 335	(4 501 277)	26 138	(1 911 595)
Tax (expense)/credit	(38 548)	(53 587)	1 070 541	412 746
Net profit/(loss) after tax	1 537 787	(4 554 864)	1 096 679	(1 498 849)
Earnings per share	n/a	n/a	n/a	(1.83)
Dividends per share	–	–	–	–
Number of shares in issue	n/a	n/a	n/a	820 000

n/a – BESA demutualised during 2007 and therefore no shares were in issue in prior years.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Audited R	*Pro forma* after the Rights Issue R
ASSETS		
Non-current assets	**3 805 254**	**3 805 254**
Equipment	1 533 697	1 533 697
Intangible assets	680 156	680 156
Deferred income tax	1 591 401	1 591 401
Current assets	**110 948 461**	**185 164 214**
Receivables and prepayments	6 020 859	6 020 859
Cash and cash equivalents	104 927 602	179 143 355
Total assets	**114 753 715**	**188 969 468**
EQUITY	**109 459 651**	**183 675 404**
Share capital	820	1 925
Share premium	–	74 214 648
Retained earnings	109 458 831	109 458 831
Non-current liabilities	**199 176**	**199 176**
Deferred lease liability	199 176	199 176
Current liabilities	**5 094 888**	**5 094 888**
Payables and accrued expenses	3 154 247	3 154 247
Employee benefit obligations	1 818 844	1 818 844
Current income tax	121 797	121 797
Total equity and liabilities	**114 753 715**	**188 969 468**
NAV per share	133.49	95.43
NTAV	132.66	95.08
NAV (Excluding Guarantee Fund)	12.94	44.07
NTAV(Excluding Guarantee Fund)	12.11	43.72
Number of shares in issue	820 000	1 924 657

Basis of preparation

The financial statements from which the audited historical financial information disclosed above (excluding the "*Pro forma* after the rights issue" balance sheet) has been extracted were prepared in compliance with International Financial Reporting Standards (IFRS).

BESA Guarantee Fund Trust ("Fund")

In accordance with the Rules of BESA, a Fund was established on 28 September 1995. Separate financial statements are prepared for the Fund. The above extracts of the consolidated financial statements incorporate transactions and balances of the Fund.

The Fund is a separate legal entity which was originally established in terms of Section 17(1)(n) of the Financial Markets Control Act, now superseded by the Securities Services Act, No. 36 of 2004. The Fund was converted from an oral trust at common law into a formal trust governed by a written trust instrument, which trust instrument has been registered with the Master of the High Court under the Master's Reference Number IT4046/2008. BESA controls and administers the Fund but does not have access to the reserves of the Fund except as provided for in the Rules. The cash reserves of the Fund have been contributed by authorised users through a levy on bond turnover.

These reserves are represented by funds held on call. Reserves of the Fund can be disbursed to meet claims in respect of a user firm default and are not available to the creditors of BESA or any other party. A user firm that has resigned its authorised user status has no claim on its portion of reserves contributed while it was a user, nor to any portion of the general reserves of the Fund but remains liable in respect of claims under a default that occurred while it was still an authorised user.

In 2005, the then Govco Committee of BESA (now board of directors of BESA) approved a policy that allows BESA to fund the operating expenditure of BESA's Market Regulation Division (including corporate overhead expenditure incurred by that Division) from interest earned on the capital reserves of the Fund. This transfer amounted to R7.6 million in 2007 (2006 – R5.3 million).

In 2006, the Govco Committee of BESA (now board of directors of BESA) approved for 2007 a budget of R5 million expenditure for the development of a Clearing Solution. There are several products which are clearing dependent which cannot be launched until a clearing solution has been developed. R1.1 million was spent in 2007 and the balance was rolled over to 2008 to complete the project. The BESA board of directors further approved expenditure of R0.4 million for the legal cost to assess the impact of and address any requirements pertaining to the Fund resultant from the demutualisation on the Fund.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS OF THE SCHEME ON A SCHEME PARTICIPANT

"The Directors
Bond Exchange of South Africa Limited
Mezzanine Level
30 Melrose Boulevard
Melrose Arch
Johannesburg
2196

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS ON A BOND EXCHANGE OF SOUTH AFRICA LIMITED ("BESA") SHAREHOLDER

We have performed our limited assurance engagement in respect of the *pro forma* financial effects set out in paragraph 5 of the Valuation statement section of the BESA document, to be dated on or about 20 January 2009, ('the Document'). The *pro forma* financial effects have been prepared, for illustrative purposes only, to provide information about how the proposed BESA scheme of arrangement ("the Scheme of Arrangement") might have affected a BESA shareholder had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet information being reported on.

Directors' responsibility

The directors of BESA are responsible for the compilation, contents and presentation of the *pro forma* financial effects contained in the Document and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial effects have been properly compiled on the basis stated; the basis is consistent with the accounting policies of BESA; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial effects disclosed.

Reporting accountant's responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial effects contained in the Document We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial effects beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of BESA, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial effects with the directors and management of the company in respect of the corporate action that is the subject of this Document.

In arriving at our conclusion, we have relied upon financial information prepared by the directors and management of BESA and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the *pro forma* financial effects have not been properly compiled on the basis stated,
- such basis is inconsistent with the accounting policies of BESA, and
- the adjustments are not appropriate for the purposes of the *pro forma* financial effects as disclosed.

Yours faithfully

PricewaterhouseCoopers Inc
Director: **S G Ball**
Registered Auditor
15 January 2009”

INDEPENDENT ADVISOR'S OPINION REGARDING THE SCHEME

"The Directors
Bond Exchange of South Africa Limited
Mezzanine Level
30 Melrose Boulevard
Melrose Arch
Johannesburg
2196

12 December 2008

APPROPRIATE EXTERNAL ADVICE TO THE BOARD OF THE BOND EXCHANGE OF SOUTH AFRICA LIMITED ("BESA") REGARDING THE OFFER BY JSE LIMITED ("JSE") ("THE OFFER") TO ACQUIRE 100% OF THE ISSUED ORDINARY SHARES IN BESA.

Dear Sirs/Madams

1. INTRODUCTION

It was announced on SENS on 27 October 2008 that JSE had submitted to the board of BESA a firm intention to make an offer to acquire the entire issued share capital of BESA, at a cash price of R90 per share. Further announcements by BESA and JSE were released on SENS in which the shareholders were advised that BESA and JSE had entered into discussions in relation to the firm Offer.

On 10 December 2008, BESA and JSE jointly announced the revised and increased offer by the JSE to acquire the entire issued share capital of BESA. The JSE had agreed to increase the cash offer from R90 per share to R125 per share. The offer is to be implemented by way of a scheme of arrangement in terms of section 311 of the Companies Act proposed by the JSE between BESA and its shareholders. Should the scheme not become operative for any reason, the JSE will be obliged to make an irrevocable substitute offer to BESA shareholders to purchase all their BESA shares for a consideration equivalent to R125 per share.

We have been appointed by the board of BESA to provide appropriate external advice by way of a fair and reasonable opinion and any other applicable provisions of the code on the terms and conditions of the offer and whether such terms are fair and reasonable as far as the shareholders are concerned.

2. DEFINITION OF FAIR AND REASONABLE

Fairness is primarily based on quantitative factors, whilst reasonableness includes the qualitative issues surrounding the scheme and general offer.

The offer will generally be considered fair if the value offered to BESA shareholders as a result of this offer is considered to be equal to or greater than the underlying value of a BESA share.

It is conceivable that, under certain circumstances, the general offer could nevertheless be considered reasonable even if it was priced at a level which is assessed to be less than fair value.

3. PROCEDURES PERFORMED AND SOURCES OF INFORMATION

We have performed, amongst others, the following procedures:

– We obtained an understanding of the traditional BESA business as well as its relative market share, market positioning, product offerings, etc through *inter alia*:
  - reviewing and analysing the historical financial information in respect of the traditional BESA business and its underlying operations;
  - reviewing the strategic plans, including budgets and medium term financial forecasts, of the existing operations of BESA (as prepared by management) and challenging certain assumptions (where we believed to be appropriate);

- holding discussions with management of BESA in respect of the traditional business's future prospects; and
- considering publicly available information, such as analyst and/or broker reports, the Internet, newspapers and other financial publications – both on BESA specifically as well as on the bond trading industry in which it operates.

– We obtained an understanding of BESA's proposed business initiatives (i.e. BondClear Limited ("BondClear"), JUSTRADE, and other strategic plans) as well as their relative market share, market positioning, product offerings, etc through *inter alia*;
  - reviewing the strategic plans, including budgets and medium term financial forecasts (where applicable), of the proposed business initiatives (as prepared by management) and challenging and adjusting certain assumptions (where we believed such to be appropriate);
  - holding discussions with management of BESA in respect of the future prospects of these business initiatives;
  - holding discussions with market participants in respect of future prospects of these business initiatives; and
  - considering publicly available information, such as analyst and/or broker reports, the Internet, newspapers and other financial publications – for BondClear, JUSTRADE and other strategic plans specifically, as well as on the bond and financial instruments trading industry in which they operate.

– We held discussions with representatives of Absa Capital (a division of Absa Bank Limited) the financial advisors to BESA.

– We gained an understanding of the process as undertaken by the board of BESA in respect of the JSE's offer.

– We obtained information on relevant local and global indices, appropriate listed benchmarks and recent comparable transactions, all for purposes of benchmarking BESA's traditional and planned operations against comparable companies in the same industries, both locally and abroad.

– We performed an independent valuation of the shares of BESA by performing the following steps:
  - we valued the traditional BESA business using a discounted cash flow valuation methodology and appropriate sensitivity analyses given a reasonable range of key assumptions;
  - we valued the proposed business of BondClear using a discounted cash flow valuation methodology and applying a probability ratio on the likelihood of the business being accepted by the market or not. The key value drivers of this business are uptake by the market and volume growth. We conducted appropriate sensitivity analyses against a reasonable range of key assumptions;
  - we obtained an understanding of the role the BESA Guarantee Fund Trust plays in relation to the traditional BESA business and assessed the value implications thereof;
  - we considered the likely contribution to the value of BESA's shares of other projects in progress; and
  - we arrived at a value range for BESA shares by summing the outcomes of the above steps.

– We corroborated the result of our discounted cash flow valuation of BESA by comparing the implied enterprise value/EBITDA multiples to those of comparable listed entities.

– We considered the terms and conditions of as well as the commercial issues relating to the offer.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the offer consideration as it concerns shareholders of BESA.

We believe that the above considerations commercially justify the conclusion outlined below.

4. LIMITING CONDITIONS

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of the BESA and its proposed business initiatives.

The opinion expressed below is necessarily based upon the information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. Subsequent developments may affect our opinion, however, we are under no obligation to update, revise or re-affirm such.

5. OPINION

Based upon and subject to the foregoing, we are of the opinion that, on the basis of an arm's length transaction concluded between a willing buyer and a willing seller, the fair value of a BESA share is between R99.19 and R125.58. Given that the offer consideration falls within that range, we are of the opinion that the offer consideration is fair and reasonable to BESA shareholders.

This opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of the general body of BESA shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and accordingly shareholders should consult with an independent advisor if they are in any doubt as to the merits or otherwise of the scheme or the general offer.

6. USE OF THIS OPINION

This opinion is provided solely for the use of the board and BESA shareholders in connection with and for the purpose of their consideration of the general offer. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, nor shall any public references to Ernst & Young or Ernst & Young Advisory Services Limited be made by BESA or any of its affiliates, without the prior consent of Ernst & Young Advisory Services Limited.

7. INDEPENDENCE AND CONSENT TO PUBLICATION

We have been retained by the board as an independent advisor to the board and shareholders in connection with the scheme and general offer and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in BESA or in the success or failure of the offer which forms the subject matter hereof.

We hereby consent to this letter and the references thereto being made public to holders of BESA shares in the form and context in which they are to be published in this document to shareholders on or about 20 January 2009. We confirm that we have given and have not withdrawn our consent prior to the issue of the said document to BESA shareholders.

Sincerely,

A Khimjee
Director

Ernst & Young Advisory Services Limited"

EXCHANGE CONTROL REGULATIONS

The following is a summary of the South African Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Scheme Participants. Scheme Participants who have any queries should contact their professional advisers without delay.

1. EMIGRANTS FROM THE COMMON MONETARY AREA

The Scheme Consideration payable to a Scheme Participant who is an emigrant from the Common Monetary Area will, be forwarded to the authorised dealer(s) in foreign exchange in South Africa controlling such Scheme Participant's blocked assets, subject to paragraph 3 below. The Form of Surrender *(green)* makes provision for the details of the authorised dealer concerned to be given.

2. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The Scheme Consideration payable to a Scheme Participant who is a non-resident of the Common Monetary Area who has never resided in the Common Monetary Area and whose registered address is outside the Common Monetary Area and whose share certificates in respect of his Shares have been endorsed "non-resident", will be forwarded to the authorised dealer(s) in foreign exchange in South Africa nominated by such Scheme Participant subject to paragraph 3 below. It will be incumbent on the Scheme Participant concerned to instruct the nominated authorised dealer(s) as to the disposal of the amount concerned. The attached Form of Surrender *(green)* makes provision for the nomination required.

3. INFORMATION NOT PROVIDED

If the information regarding authorised dealers required in terms of this Annexe is not given, the Scheme Consideration will be held by an authorised dealer nominated by BESA for the Scheme Participant concerned, pending receipt of the necessary information or instructions. No interest will accrue or be paid on any Scheme Consideration payable to a Scheme Participant arising from the Scheme Consideration being held in this manner.

JOHANNESBURG STOCK EXCHANGE

JSE Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/022939/06)
Share code: JSE ISIN: ZAU000000010
("**JSE**")

SUBSTITUTE OFFER BY THE JSE TO SHAREHOLDERS OF BESA

1. DEFINITIONS AND INTERPRETATIONS

Except as set out below and unless otherwise stated or the context indicates a contrary intention, the definitions and interpretation commencing on page 8 of this Document shall apply *mutatis mutandis* to this Substitute Offer and the words in the first column below shall have the meanings set out opposite them in the second column, words or expressions denoting one gender shall include the other genders, words importing natural persons shall include juristic persons and *vice versa* and the singular shall include the plural and *vice versa*.

"**Final Closing Date**"	the date to which the First Closing Date is extended as contemplated in paragraph 3.1 below, which date will be announced by the JSE on SENS and in the Press;
"**First Closing Date**"	the closing date of the Substitute Offer, which date shall be 12:00 on the 21st day following the Opening Date;
"**Opening Date**"	the opening date of the Substitute Offer being 09:00 on the first Business Day following on the day that it is announced in the Press that the Scheme will not proceed and that the Substitute Offer has become effective;
"**Restricted Jurisdiction**"	the United States, Australia, Canada, Japan or any other jurisdiction if it is illegal for the Substitute Offer to be made or accepted in the jurisdiction;
"**South Africa**"	the Republic of South Africa;
"**Substitute Offer**"	the offer by the JSE to the Shareholders to acquire all of their Shares for the Substitute Offer Consideration, subject to the terms and conditions detailed in this Document;
"**Substitute Offer Consideration**"	a cash consideration of R125 for every Share in respect of which the Substitute Offer is validly accepted;
"**Substitute Offer Conditions Precedent**"	the conditions precedent to the Substitute Offer as set out in paragraph 3.2 below.

2. IMPORTANT DATES AND TIMES

Should the Substitute Offer become effective, all dates and times pertinent thereto will be published on SENS and in the Press.

3. THE SUBSTITUTE OFFER

Should the Scheme for any reason whatsoever: (i) not be approved by the requisite majority of Scheme Participants at the Scheme Meeting; or (ii) the Court refuse to or fail to timeously sanction the Scheme, the JSE shall be obliged forthwith to make an irrevocable Substitute Offer to the Shareholders to purchase the Shares for the Substitute Offer Consideration, subject to the terms and conditions as set out in this Document.

If the Substitute Offer is made, an announcement will be made by the JSE on SENS and in the Press advising Shareholders that the Substitute Offer has been made for acceptance between the Opening Date and the First Closing Date.

3.1 **Substitute Offer period**

Upon its opening by way of announcement by the JSE on SENS and in the Press, the Substitute Offer will remain open until the First Closing Date, unless (i) it becomes unconditional as to acceptances prior to that date in which case it will remain open for a further period of 14 calendar days from the date it first becomes unconditional i.e. the First Closing Date; or (ii) unless the JSE, in its discretion, decides to extend the Final Closing Date thereof.

3.2 **Conditions Precedent to the Substitute Offer**

3.2.1 The implementation of the Substitute Offer and the payment of the Substitute Offer Consideration are subject to the fulfilment or waiver, as the case may be, of the following Substitute Offer Conditions Precedent:

3.2.1.1 the Substitute Offer being accepted by Shareholders in respect of at least 50% plus one of all the Shares in issue, by no later than the First Closing Date;

3.2.1.2 the approval of the Substitute Offer to the extent required, by the FSB, by no later than the First Closing Date;

3.2.1.3 the JSE obtaining such exchange control approvals from the South African Reserve Bank as may be necessary for the Substitute Offer by no later than the First Closing Date; and

3.2.1.4 the unconditional approval of the Substitute Offer by the South African competition authorities, in terms of the Competition Act, by no later than the Long Stop Date,

provided that if any approval in terms of paragraphs 3.2.1.2, 3.2.1.3 or 3.2.1.4 is materially qualified or subject to material conditions, then the condition in this paragraph will only be deemed to be fulfilled if, prior to the Long Stop Date, the JSE agrees in writing to such qualification or condition and notifies BESA of same.

3.2.2 The Condition Precedent in paragraph 3.2.1.1 is for the benefit of the JSE and can be waived by the JSE at any time prior to the Final Closing Date.

3.2.3 Subject to the prior approval of the SRP, the JSE shall be entitled, but not obliged, to extend any of the dates for fulfilment of the Substitute Offer Conditions Precedent.

3.3 **Substitute Offer Consideration**

The Substitute Offer is for a cash consideration of R125 per Share. The Substitute Offer Consideration is not subject to any price adjustment(s) as the BESA Board has provided the JSE with sufficient information for the JSE to be able to satisfy itself as to the nature and extent of the items dealt with in the price adjustment mechanisms referred to in the Firm Intent Announcement.

4. ACCEPTANCE OF THE SUBSTITUTE OFFER

4.1 Acceptance of the Substitute Offer by Shareholders shall be irrevocable and must be made by completing the Form of Surrender and sending it, at their own risk, to the Transfer Secretaries as soon as possible, but in any event before 12:00 on the Final Closing Date. Shareholders may only accept the Substitute Offer in respect of all of their Shares.

4.2 If the Form of Surrender *(green)* was not completed by Shareholders in respect of the Substitute Offer and returned to the Transfer Secretaries before the Opening Date, Shareholders may elect to accept the Substitute Offer by completing a further form of acceptance, surrender and transfer which will be sent to Shareholders recorded in the Register at 17:00 on the Opening Date. This further form of acceptance, surrender and transfer will be required to be returned together with the applicable Documents of Title (in negotiable form) (if not already surrendered), to the Transfer Secretaries before the Final Closing Date.

4.3 If the Form of Surrender, or the new form of acceptance, surrender and transfer sent out in terms of paragraph 4.2 above, is not received by 12:00 on the Final Closing Date, the Substitute Offer will be deemed to have been rejected.

4.4 Shareholders who do not wish to accept the Substitute Offer need take no further action and will be deemed to have rejected the Substitute Offer.

4.5 Each Shareholder who accepts the Substitute Offer is deemed to represent and warrant to the JSE that it has not received or sent copies or originals of this Document, the form of acceptance, surrender and transfer or any related documents in or into, or from a Restricted Jurisdiction, and has not otherwise utilised in connection with the Substitute Offer the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically), the interstate or foreign commerce of, or any facility of the national securities exchanges of a Restricted Jurisdiction and the form of acceptance, surrender and transfer has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such Shareholder is accepting the Substitute Offer from outside a Restricted Jurisdiction.

5. SETTLEMENT OF THE SUBSTITUTE OFFER CONSIDERATION

5.1 The Substitute Offer Consideration will be settled in cash.

5.2 The JSE will, through the Transfer Secretaries, administer and effect payment of the Substitute Offer Consideration.

5.3 An amount of R125 per Share will, unless prior arrangements to the contrary have been made with the JSE, be posted, by ordinary post, at the risk of the Shareholder concerned, to its address reflected in the Form of Surrender *(green)* or deposited directly into their bank account should they provide bank account details on the Form of Surrender *(green)*. The posting or deposit of the Substitute Offer Consideration will take place within 5 (five) Business Days of (i) the Final Closing Date; or (ii) the date on which the Substitute Offer has become wholly unconditional, whichever date occurs the later.

5.4 The settlement of the Substitute Offer Consideration is subject to the Substitute Offer becoming wholly unconditional and the Exchange Control Regulations.

5.5 **Basis for the acquisition of the BESA Shares**

Ownership in the Shares will be acquired by the JSE free from all liens, rights of set-off, counterclaims, charge, encumbrances, pre-emptive rights and any other third party rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto irrespective of the actual date of registration or transfer of the Shares into the name of the JSE. The Shares will be acquired cum any dividends and/or distributions made or to be made on or after the date of issue of this Document. Every Shareholder who accepts the Substitute Offer in respect of the Shares will be deemed to have warranted to the JSE that that Shareholder is entitled and able to dispose of those shares to the JSE on the basis as set out in this paragraph 5.5.

5.6 **Cash confirmation**

First National Bank of South Africa Limited has provided, as required in terms of the SRP Code, a letter to the SRP confirming that the JSE has sufficient cash resources available to satisfy the full Substitute Offer Consideration.

5.7 **No set-off of Substitute Offer Consideration**

Settlement of the Substitute Offer Consideration will be made in full, in accordance with the terms of the Substitute Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the JSE may otherwise be, or claim to be, entitled against any Shareholder.

5.8 **Amendment or variation of the Substitute Offer**

The JSE reserves the right to revise, amend or vary any aspect of the Substitute Offer, provided that no such revision, amendment or variation shall reduce the Substitute Offer Consideration payable pursuant to the Substitute Offer or be effective unless approved by the SRP and published by the JSE on SENS and in the Press.

5.9 **Governing law**

This Document, the Substitute Offer and any acceptance thereof, will be governed by and construed in accordance with the laws of South Africa and will be subject to the exclusive jurisdiction of the South African courts.

6. COMPULSORY ACQUISITION IN TERMS OF SECTION 440K OF THE COMPANIES ACT

6.1 Should the Substitute Offer be accepted in respect of nine-tenths or more of the Shares, the JSE will invoke the provisions of section 440K of the Companies Act to compulsorily acquire all such Shares in respect of which the Substitute Offer was not accepted. The provisions of section 440K of the Companies Act are included as Annexe 5 to this Document.

6.2 Should the requisite number of acceptances be obtained to allow the provisions of section 440K of the Companies Act to be invoked, a circular will be sent to those Shareholders who have not accepted the Substitute Offer, which circular will incorporate the notice envisaged by section 440K and a further form of acceptance, surrender and transfer.

7. SUBSTITUTE OFFER NOT MADE IN ANY RESTRICTED JURISDICTION

7.1 The legality of the Substitute Offer to Shareholders who are not residents of South Africa may be affected by laws of any jurisdiction relevant to them. Such Shareholders should inform themselves about any applicable legal requirements which they are obliged to observe. It is the responsibility of any such Shareholder wishing to accept the Substitute Offer to satisfy itself as to the full observance of the laws of any relevant jurisdiction in connection herewith.

7.2 In particular, the Substitute Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of the national securities exchanges of a Restricted Jurisdiction, and the Substitute Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, neither copies of this Document nor any related documentation are being or may be mailed or otherwise distributed or sent in or into or from a Restricted Jurisdiction, and if received in any Restricted Jurisdiction, this Document shall be treated as being received for information only.

8. EXCHANGE CONTROL REGULATIONS

8.1 A summary of the Exchange Control Regulations that will also be applicable *mutatis mutandis* to the Substitute Offer is contained in Annexe 4 to this Document. Shareholders who are in doubt as to the action they should take should consult their professional advisers as soon as possible.

8.2 A Shareholder who is not resident in, or who has a registered address outside South Africa, must satisfy itself as to the full observance of the laws of any relevant territory concerning the receipt of the Substitute Offer Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

9. TAX IMPLICATIONS FOR SHAREHOLDERS WHO ACCEPT THE SUBSTITUTE OFFER

The disposal of the Shares will have tax implications for Shareholders. The nature of the tax implications, whether related to income tax or capital gains tax or any other tax, may vary from one Shareholder to another. The jurisdiction in which a Shareholder resides may also have a bearing on the tax implications. In light of these facts the tax implications of accepting the Substitute Offer are not set out in this Document. Shareholders are advised to seek professional advice as to the appropriate tax treatment for their respective tax jurisdictions.

10. SUMMARY OF FINANCIAL EFFECTS AND OPINION AND RECOMMENDATION

The summary of the financial effects of the Scheme on the Scheme Participants and the opinion and recommendation from Ernst & Young Advisory Services Limited as to the fair and reasonableness of the Scheme, as set out in the valuation statement commencing on page 32 applies *mutatis mutandis* to Shareholders accepting the Substitute Offer.

11. APPLICABLE PROVISIONS

11.1 The provisions of the explanatory statement relating to the vision and benefits as set out in paragraph 4.2 commencing on page 13 apply *mutatis mutandis* to the Substitute Offer.

11.2 If the Substitute Offer is implemented and is accepted by Shareholders holding at least 90% of the Shares and the JSE can therefore implement section 440K of the Companies Act, the JSE envisages integrating the JSE and BESA businesses, *mutatis mutandis* as set out in paragraph 5 of the explanatory statement. In the event that the Substitute Offer is accepted by less than 90% of the Shareholders, the JSE will implement the integration of the JSE and BESA businesses as set out in paragraph 5 of the explanatory statement, save to the extent it is not possible bearing in mind the existence of minority Shareholders.

11.3 The statement of directors' interests contained on page 35 applies *mutatis mutandis* to the Substitute Offer.

12. IRREVOCABLE UNDERTAKINGS TO ACCEPT THE SUBSTITUTE OFFER

As at the Last Practicable Date, the following Shareholders, representing 76.01% of the voting rights of all the Shares have irrevocably undertaken to accept the Substitute Offer if the Scheme does not become operative:

Shareholders	Number of shares	Percentage of shares
NZX Holdings No. 3 Limited	423 424	22.00
Investec Bank Limited	272 268	14.15
PSG Prime (Pty) Limited	115 010	5.98
Nedbank Limited	82 150	4.27
Rand Merchant Bank (A Division of FirstRand Bank Limited)	49 290	2.56
HCI Treasury (Pty) Limited	32 860	1.71
ABSA Bank Limited	20 000	1.04
Barnard Jacobs Mellet Securities (Pty) Limited	20 000	1.04
Merrill Lynch South Africa (Pty) Limited	20 000	1.04
Cadiz Securities (Pty) Limited	16 430	0.85
Cadiz Special Projects (Pty) Limited	16 430	0.85
Citibank N.A., South Africa	16 430	0.85
Investec Securities Limited	16 430	0.85
Mercantile Bank Limited	16 430	0.85
Nedcor Securities (Pty) Limited	16 430	0.85
Prescient Securities (Pty) Limited	16 430	0.85
PSG Online Securities Limited	16 430	0.85
Public Investment Corporation	16 430	0.85
ABN Amro Bank N.V., Johannesburg Branch	10 000	0.52
AMB Advisory Services Limited	10 000	0.52
Coronation Capital Limited	10 000	0.52
Decillion Securities (Pty) Limited	10 000	0.52
Equisec Treasury Services (Pty) Limited	10 000	0.52
Finstruct Securities (Pty) Limited	10 000	0.52
Golding, Torr & De Decker (Pty) Limited	10 000	0.52
Kagiso Securities Limited	10 000	0.52
Legae Securities (Pty) Limited	10 000	0.52
Lowenco Nominees (Pty) Limited	10 000	0.52
Mittal Steel South Africa Limited Pensioenfonds	10 000	0.52
Momentum Group Limited	10 000	0.52
Money-Cap Asset Management (Pty) Limited	10 000	0.52
Old Mutual Life Assurance Company (SA) Limited	10 000	0.52
Peregrine Derivatives (Pty) Limited	10 000	0.52
Regiments Securities Limited	10 000	0.52
SA International and Capital Market Brokers (Pty) Limited	10 000	0.52
Sanlam Capital Markets Limited	10 000	0.52
Sanlam Securities (Pty) Limited	10 000	0.52
Telkom SA Limited	10 000	0.52
The Hong Kong and Shanghai Banking Corporation Limited – Johannesburg Branch	10 000	0.52
Thebe Securities Limited	10 000	0.52
Transnet Limited	10 000	0.52
Trans Caledon Tunnel Authority	10 000	0.52
TTSA Securities (Pty) Limited	10 000	0.52
T Sec (Pty) Limited	10 000	0.52
Vector Securities and Derivatives (Pty) Limited	10 000	0.52
West LB Securities SA (Pty) Limited	10 000	0.52
Total	**1 462 872**	**76.01**

13. COSTS OF THE SUBSTITUTE OFFER

The cost of making this Substitute Offer, publishing and distributing this Document and any directly related costs will be borne by the JSE.

For and on behalf of

JSE LIMITED

Humphrey Borkum
Chairman

Sandton
20 January 2009

SECTION 440K OF THE COMPANIES ACT

440K. Compulsory acquisition of securities of minority in affected transaction.:

(1) (*a*) If an offer for the acquisition of securities under an affected transaction involving the transfer of securities or any class of securities of a company to an offeror, has within four months after the date of the making of such offer been accepted by the holders of not less than nine-tenths of the securities or any class of securities whose transfer is involved (other than securities already held at the date of the issue of the offer by, or by a nominee for, the offeror or its subsidiary), the offeror may at any time within two months after the date of such acceptance give notice in the prescribed manner to any holder of such securities who has not accepted the said offer, that he or it desires to acquire his or its securities, and where such notice is given, the offeror shall be entitled and bound to acquire those securities on the terms on which under the affected transaction the securities of the holders who have accepted the offer, were or are to be transferred to the offeror, unless on an application made by such holder within six weeks from the date on which the notice was given, the Court:

(i) orders that the offeror shall not be so entitled and bound; or

(ii) imposes conditions of acquisition different from those of the offer.

(b) If the said offer has not been accepted to the extent necessary for entitling the offeror to give notice under subsection (1) (*a*), the Court may, on application by the offeror, issue an order authorising him to give notice under that subsection if the Court is satisfied that:

(i) the offeror has after reasonable enquiry been unable to trace one or more of the persons holding securities to which the offer relates;

(ii) the securities whose transfer is involved, by virtue of acceptances of the offer, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1) (*a*); and

(iii) the consideration offered is fair and reasonable,

but the Court shall not issue an order under this paragraph unless it considers that it is just and equitable to do so having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.

(2) Where a notice has been given by the offeror under subsection (1) and the Court, on an application made by a holder of the securities who has not accepted the offer, has not ordered as contemplated in subsection (1) (*a*), the offeror shall, on the expiration of six weeks from the date on which the notice was given, or, if an application to the Court by such holder is then pending, after the application has been disposed of, transmit a copy of the notice to the offeree company, together with an instrument of transfer executed on behalf of such holder by any person appointed by the offeror, and pay or transfer to the offeree company the amount or other consideration representing the price payable by the offeror for the securities which by virtue of this section he or it is entitled to acquire, and, subject to the payment of the stamp duties ordinarily payable, the offeree company shall thereupon register the offeror as the holder of those securities: Provided that an instrument of transfer shall not be required for any security for which a share warrant is for the time being outstanding.

(3) Where, in pursuance of an affected transaction referred to in subsection (1), securities of an offeree company were or are to be transferred to a person and those securities, together with any other securities of the said offeree company held by, or by a nominee for, the offeror or its subsidiary at the date of the acceptance of the offer in question, comprise or include nine-tenths of the securities in the offeree company or of any class of those securities, then:

(*a*) the offeror shall within a month from the date of such acceptance (unless he or it has already complied with this requirement under subsection (1)) give notice of that fact in the prescribed manner to the holders of the remaining securities or of the remaining securities of that class, as the case may be, who have not accepted the offer under the affected transaction in question; and

(*b*) any such holder may within three months from the giving of the notice to him require the offeror to acquire the securities in question,

and where the holder gives notice under paragraph (b) in relation to any securities, the offeror shall be entitled and bound to acquire those securities on the conditions on which under the affected transaction the securities of the holders who have accepted the offer were or are to be transferred to him or it, or on such other conditions as may be agreed upon or as the Court on the application of either the offeror or the holder may think fit to order.

(4) Any sum, and any dividend or other sum accruing from any other consideration, received by the offeree company under this section shall be paid into a separate bank account with a banking institution registered under the Banks Act, 1965 (Act No. 23 of 1965), and any such sums, dividend or any other consideration so received shall be held in trust by the offeree company for the person entitled to the securities in respect of which the said sums, dividend or other consideration was received.

(5) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer his securities to the offeror in accordance with the affected transaction.

[S. 440K inserted by s. 6 of Act No. 69 of 1990.]

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Building better markets

Bond Exchange of South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06])
("**BESA**")

FORM OF PROXY

For use by shareholders of BESA, registered as such at 10:00 on 4 February 2009 (the "**Scheme Members**") at a meeting convened in terms of an Order of the High Court of South Africa (Witwatersrand Local Division), to be held at the InterContinental Sandton Sun Hotel, corner Fifth and Alice Street, Sandton, South Africa at 10:00 on 6 February 2009 (the "**Scheme Meeting**").

I/We (please print name in full) _____

Of (address) _____

being the holders of [ ] shares do hereby appoint (see Notes 1 and 2 overleaf):

1. _____ or failing him,

2. _____ or failing him,

3. the chairperson of the Scheme Meeting

as my/our proxy to attend and speak on my/our behalf at the Scheme Meeting and, if deemed fit, agree to:

with modification†
without modification

Delete whichever is not applicable (see Note 4).

the scheme of arrangement (the "**Scheme**") proposed by the JSE Limited, between BESA and its shareholders, 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 3):

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

* One vote per share held by Scheme Members.

Signed at _____ on _____ 2009

Signature _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached – see Notes 9 and 10.

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 so desires, indicate the manner and extent of any such modification to which the proxy may agree on a separate form 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 of this form.

Notes:

1. Each Scheme Member is entitled to appoint one or more proxies (none of whom need be a member of BESA) to attend, speak and vote in place of that Scheme Member at the Scheme Meeting (or any adjourned 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 the form of proxy and who is present at the Scheme Meeting (or any adjourned 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 this instruction will be deemed to authorise and direct the chairperson of the Scheme Meeting (or any adjourned 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 (or any adjourned meeting) as she/he deems fit, in respect of all the Scheme Member's votes exercisable at the Scheme Meeting (or any adjourned 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 Computershare Investor Services (Proprietary) Limited at 70 Marshall Street, Johannesburg, 2001(PO Box 61051, Marshalltown, 2107) to be received not later than 10:00 on Wednesday, 4 February 2009 or may be handed to the chairperson of the Scheme Meeting not later than 10 minutes before the Scheme Meeting (or any adjourned meeting) is due to commence.

   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.

   If a Scheme Member fails to indicate whether the Scheme may be agreed to 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 as the case may be, to agree to the Scheme with or without modification as she/he deems fit, in respect of all the Scheme Member's votes exercisable at the meeting.

5. Forms of proxy must be lodged with or posted to Computershare Investor Services (Proprietary) Limited at 70 Marshall Street, Johannesburg, 2001(PO Box 61051, Marshalltown, 2107) to be received by not later than 10:00 on Wednesday, 4 February 2009 or 48 (forty-eight) hours before any adjournment Scheme Meeting. Alternatively, forms of proxy may be handed to the chairperson of the Scheme Meeting by not later than 10 minutes before the Scheme Meeting (or any adjourned meeting) is due to commence.

6. The completion and lodging of this form of proxy will not preclude the relevant Scheme Member from attending the Scheme Meeting (or any adjourned 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.

7. The chairperson of the Scheme Meeting may reject or 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.

8. Any alteration or correction made to this form of proxy must be initialled by the signatory or signatories.

9. 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 BESA or its Transfer Secretaries or waived by the chairperson of the Scheme Meeting (or any adjourned meeting).

10. 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 BESA or the Transfer Secretaries.

11. Where ordinary shares are held jointly, all joint holders are required to sign.

Building better markets

Bond Exchange of South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/034441/06])
("**BESA**")

FORM OF (i) SURRENDER IN TERMS OF THE SCHEME AND (ii) ACCEPTANCE AND SURRENDER IN RESPECT OF THE SUBSTITUTE OFFER

For use only by shareholders in relation to the scheme of arrangement in terms of section 311 of the Companies Act, proposed by the JSE Limited (the "JSE") between BESA and its shareholders (the "Scheme").

This form should be read in conjunction with the document sent to shareholders dated 20 January 2009 entitled "Circular to Shareholders" (the "Circular").

This form is attached for the convenience of holders of shares who may wish to surrender their documents of title prior to the operative date of the Scheme, which is expected to be 18 May 2009.

Instructions:

1. A separate form of surrender is required for each shareholder.
2. **Part A** must be completed by all shareholders who return this form.
3. **Part B** must be completed by shareholders who are:
   3.1 emigrants from the Republic of South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho (the "**Common Monetary Area**") ("**Emigrants**"); or
   3.2 non-residents of the Common Monetary Area who have never resided in the Common Monetary Area and whose registered address is outside the Common Monetary Area ("**Non-Residents**").

   See Notes 1, 2 and 3 overleaf.
4. **Part C** must be completed by those shareholders who wish to have the scheme consideration electronically transferred into their bank accounts.
5. **Part D** must be completed by shareholders who wish, in the event that the Scheme fails for any reason, to accept the Substitute Offer.

In addition, please read the Notes on the reverse side of this form.

To: Computershare Investor Services (Proprietary) Limited

By hand
Computershare Investor Services (Proprietary) Limited
70 Marshall Street
Johannesburg
2001

By post
Computershare Investor Services (Proprietary) Limited
PO Box 61763
Marshalltown
2107

Dear Sirs

I/We hereby surrender and enclose the share certificate/s, transfer deed/s and/or other documents of title (details of which have been completed overleaf) in respect of the shares which I/we hold in BESA. In the event that the share certificate/s, transfer deed/s and/or other documents of title in respect of the shares are already in the possession of the transfer secretaries then I/we simultaneously hereby irrevocably authorise and instruct the transfer secretaries to deliver the share certificate/s, transfer deed/s and/or other documents of title to the JSE in accordance with the provisions of the Circular.

PART A –

All shareholders must complete all the blocks below and overleaf (in block capitals).

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 documents of title surrendered:

Name of registered holder	Certificate number(s) (in numerical order)	Number of shares covered by each certificate
	Total	

Signature of ordinary shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) ( )	
Telephone number (Work) ( )	

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

PART B –

To be completed by all shareholders who are Emigrants or Non-Residents. See Notes 1 and 2 below.

The scheme consideration will be forwarded to the authorised dealer nominated below for its control. Accordingly, shareholders who are Emigrants or Non-residents must provide the following information:

Name of authorised dealer

Account number

Address

Postal code

If no nomination is made above, the scheme consideration will be held by an authorised dealer nominated by BESA. See Note 3 below.

PART C –

To be completed by those shareholders who wish to have the scheme consideration electronically transferred into their bank accounts.

Name of bank account holder

Account number

Name of bank

Branch

Branch code

Type of bank account (cheque, savings, transmission, etc.)

Shareholders to note that in the event of any change of payment mandates or bank details, this form must be accompanied by a resolution detailing the change of payment or bank details, a certified copy of the identification document of the authorised person and the founding documents of the shareholders.

PART D –

To be completed by shareholders who wish to accept the Substitute Offer.

I/We by ticking the box below hereby irrevocably accept the Substitute Offer if made in respect of all the BESA shares held by me/us as represented by the documents of title surrendered with this form of surrender and acceptance. ☐ [Please tick box to indicate acceptance of the Substitute Offer].

My election in Part C also applies to the payment of the substitute offer consideration should the Substitute Offer be made.

I/We hereby acknowledge that once I/we have accepted the Substitute Offer, I/we will no longer be able to deal in my/our BESA shares or have the surrendered share certificates returned until such time as the Substitute Offer (if made) fails.

Notes:

1. Emigrants must complete Part B.
2. All other Non-Residents must complete Part B if they wish the scheme consideration to be sent to an authorised dealer of their choice in South Africa.
3. If Part B is not properly completed or is not completed at all, by Emigrants or Non-Residents, the scheme consideration will be held by an authorised dealer nominated by BESA, pending receipt of the necessary nomination or instruction.
4. If this form of surrender is returned with the relevant documents of title, it will be treated as a conditional surrender which is made subject to the Scheme becoming effective or the Substitute Offer becoming unconditional (if applicable and if the Substitute Offer has been accepted in this form of surrender). Documents will be so held by the transfer secretaries on behalf of the shareholder until the Scheme becomes operative or the Substitute Offer becomes unconditional.
5. The scheme consideration or the Substitute Offer consideration (if applicable) will not be sent to Scheme Members or shareholders, as the case may be, unless and until documents of title in respect of the relevant shares have been surrendered to the transfer secretaries.
6. If a shareholder produces evidence to the satisfaction of BESA and the JSE that documents of title in respect of shares have been lost or destroyed, the JSE may dispense with the requirement to surrender such documents of title against delivery of an indemnity in a form acceptable to it in its sole discretion, at the cost of the shareholder.
7. Persons who have acquired shares in BESA after the date on the Circular to which this form of surrender is attached, can obtain copies of the form of surrender and the Circular at the address of the transfer secretaries set out above.
8. No receipts will be issued for documents of title surrendered, unless specifically requested. Participants are requested to prepare special transaction receipts if these are required.
9. Signatories may be called upon for evidence of their authority or capacity to sign this form.
10. Any alteration to this form of surrender must be signed in full and not initialled.
11. If this form of surrender is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by BESA or its transfer secretaries).
12. Where there are joint holders of any shares, only that holder whose name stands first in the register in respect of such shares need sign this form of surrender.