

Tongaat Hulett Limited
Registration number 1892/000610/06
Share code: TON
ISIN ZAE000096541
("Tongaat Hulett" or "the company")

FSCA FINES TONGAAT FOR CONTRAVENTION OF THE FINANCIAL MARKETS ACT

The Financial Sector Conduct Authority ("FSCA") has today released a press release informing the market that it has concluded its investigation and determined that Tongaat Hulett has breached the provisions of section 81 of the Financial Markets Act. The breach relates to the misrepresentation by Tongaat of its financial performance in prior years which resulted in the restatement of the 31 March 2017 and 31 March 2018 financial results. The prior period errors extend back over the past six years and the cumulative correction has been reflected in the 31 March 2017 financial statements.

The FSCA considered the factors set down in section 167 (2) (a) and (b) of the Financial Sector Regulation Act, 2019 (the FSR Act) and strived to balance conjunctively the need for deterrence, Tongaat Hulett's level of cooperation and the company's submissions in respect of an appropriate administrative penalty. The FSCA noted that Tongaat's current management gave full cooperation during the investigation and enforcement process, accepted that the company contravened and undertook to put measures in place to ensure that the company mitigates the risk of similar contraventions occurring in the future.

The FSCA imposed an administrative penalty of R118 340 000 (inclusive of costs reasonably incurred by the Authority in investigating the contraventions) on Tongaat after due consideration to the factors set out in section 167 of the FSR Act.

Prior to the publication of the above order, Tongaat approached the FSCA and applied for the remission of the above penalty as provided by section 173 of the FSR Act. The FSCA considered Tongaat's application for remission and has agreed to reduce a portion of the R118 340 000 penalty. The Authority ordered in terms of section 173 of the FSR Act that Tongaat pay R20 million (inclusive of investigation costs and interest) as an administrative penalty.

The FSCA thanked the Board and the management team for their cooperation and assistance to finalise this complex matter.

Tongaat
24 August 2020

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