

**Nictus Limited**

Incorporated in the Republic of South Africa

Registration number: 1981/011858/06

JSE share code: NCS

ISIN code: NA0009123481

("Nictus" or "the Company")

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**Legal action taken by Corporate Guarantee (South Africa) Limited**

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Shareholders are advised that Corporate Guarantee (South Africa) Limited ("CGSA"), a wholly-owned subsidiary of the Company, is the applicant in an action instituted by CGSA in the High Court of South Africa, Gauteng Division, Pretoria. The details of the application are set out in a communique, the content of which is replicated below, and which will be distributed to CGSA clients. The communique references certain attachments and documents, including the full set of the court papers, which will be made available to the recipients thereof. Shareholders are advised that such referenced attachments and documents are available for inspection at the Company's registered address, being c/o Dover & Pretoria Street, Randburg.

**"Information notice to Corporate Guarantee (South Africa) Limited ("CGSA") stakeholders"**

1. We refer to our letter, dated 1 April 2015, under the caption "*Removal of Corporate Guarantee (South Africa) Limited Authorised Representatives*".
2. We have, on the strength of legal advice, held over communicating the circumstances which gave rise to the removal of the aforesaid representatives to you, pending the outcome of a High Court application by Corporate Guarantee (South Africa) Limited ("**CGSA**"), against, Mr Gielle Swart ("**Swart**"), Mr Gert Olivier ("**Olivier**"), Mr André Ferreira ("**Ferreira**") and Mr Frank Theart ("**Theart**") and RMB Structured Insurance Limited ("**RMB SI**"). The High Court application served before court on 16 April 2015 and we are, accordingly, now in a position to update you fully.

**Background**

3. After the resignation of Swart, Theart, Ferreira and Olivier it came to our attention that they devised and implemented an unlawful strategy, in terms of which they assisted the setting up of a competing business as part of RMB SI, and actively solicited CGSA's clients for the new business. This was done while Swart was managing director of CGSA, Olivier and Ferreira were employees of CGSA, and Theart was financial director of CGSA's holding company. We are greatly disappointed by their conduct.
4. In doing so Swart, Theart, Ferreira and Olivier acted unlawfully in a number of ways, including breaching their fiduciary duties to CGSA and unlawfully utilising CGSA's and CGSA's clients' confidential information. Swart, Theart, Ferreira and Olivier blatantly breached the trust that CGSA invested in them and, in our view, have placed their personal interests above all. Some of their unlawful actions included:
  - 4.1. targeting CGSA's clients (while they were still employed by CGSA) by, for example, meeting with clients and advising them to cancel their agreements with CGSA and to move their business to RMB SI;
  - 4.2. taking photographs of some of CGSA's clients' policy documents (which are client confidential documents) and emailing them to RMB SI;
  - 4.3. diverting telephone calls directed to CGSA's telephone, to a mobile number which Mr Swart used in respect of his new position with RMB SI.
5. The aforesaid are examples of the conduct by Swart, Theart, Ferreira and Olivier. CGSA is further analysing the electronic devices which were used by the Swart, Theart, Ferreira and

Olivier, during their tenor with CGSA and we are discovering additional incriminating evidence against them. We will instruct our attorneys to bring this evidence to the Court's attention in due course.

6. We are in a position to make available to you a full set of the court papers which more fully set out the unlawful conduct by Swart, Theart, Ferreira and Olivier.

#### The High Court Application against Swart, Theart, Ferreira, Olivier and RMB SI

7. Immediately after becoming aware of the unlawful conduct of Swart, Theart, Ferreira and Olivier, CGSA applied to the High Court for an urgent interim interdict against them, as well as RMB SI. The matter served before court on 16 April 2015 which we now deal with below accordingly.

#### The High Court Order

8. The High Court held that CGSA has made out a case and granted an interim interdict against Swart, Theart, Ferreira, Olivier, and RMB SI:
  - 8.1. interdicting and restraining them from using or in any way benefiting from CGSA's documents which are in their possession or under their control;
  - 8.2. interdicting and restraining them from offering an alternative risk transfer product, or any other product or service based on "own risk management" (i.e. such as the product offered by CGSA) to any of CGSA's clients, except for five of CGSA's clients who moved their custom to RMB SI before the High Court application was launched;
  - 8.3. interdicting and restraining them from holding a launch of RMB SI's Risk Finance Division, which was planned to take place on 17 April 2015.
9. Furthermore, the High Court ordered that Swart, Theart, Ferreira, Olivier, and RMB SI must return all CGSA's documents and any copies thereof including its mandate, client lists and policy documents.
10. A copy of the complete Court Order, dated 16 April 2015, is also **attached** hereto for your information.
11. CGSA's regards the conduct of Swart, Theart, Ferreira, Olivier and RMB SI in a very serious light and will continue with appropriate legal processes against them.
12. The legislation in respect of persons who provide financial advice, requires conduct which portrays honesty and integrity. These are, amongst others, character traits that are used to assess whether a person is fit and proper to provide financial advice. Having regard to Swart, Theart, Ferreira and Olivier's behaviour CGSA has furnished the Financial Services Board ("FSB") with a copy of the court papers and will continue to co-operate with the FSB in respect of any upcoming investigations in this regard.

#### The Way forward

13. The main purpose of this communication is to inform you of the aforesaid developments. Furthermore, it is to provide you with peace of mind that CGSA is carrying on business as usual. Our entire service offering remains unaffected and we are pleased that we have, with the assistance of the High Court, obtained a Court Order to stop further unlawful conduct by Swart, Theart, Ferreira and Olivier and RMB SI.
14. Should you have any queries, or if you wish to discuss any aspect of the matter, please do not hesitate to contact Mr Gerard Tromp, [gtromp@nictus.com.na](mailto:gtromp@nictus.com.na) or +277 2279 2098. We will, in any event, keep you apprised of important developments.
15. We look forward to our continued mutually beneficial relationship.

Yours sincerely,

NC Tromp

**Chairman”**

Shareholders will be appraised of further developments in due course.

Randburg  
17 April 2015

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