

M E R G E N C E

22 April 2013

Proxy Voting Concerns

To Whom It May Concern:

We would like to inform you of Mergence Investment Managers decision to vote "against" ordinary resolution number 7 and 11 and special resolution number 1 at the ABSA BANK LTD AGM on 02 May 2013

This vote is in accordance with Mergence's proxy voting guidelines ¹as highlighted below.

"Against" vote on Ordinary Resolution 7 is based on the following:

Mergence finds that over the past four years, ABSA's performance has deteriorated materially relative to peers under the stewardship of Ms. Ramos. The business has also practised aggressive accounting which led to surprise write-off in 2012. The business has also lost key staff which renders the group vulnerable to competitive pressures. The business lacks a coherent business strategy to extract value from SA and newly acquired Barclays Africa Operations.

"Against" vote on Ordinary Resolution 11 is based on the following:

While there is a limit of 5% on this resolution, it places a substantial amount under the control of directors. This amount when considering the fact there is no clear strategy for growth in SA or the rest of Africa.

"Against" vote on Special Resolution 1 is based on the following:

Remuneration to non- execs is increasing at rates of almost 3x prevailing inflation rates for Board Membership. Various committees' remuneration goes up by between 7% and 20% which we believe is excessive given the current performance of ABSA and the SA economy.

We look forward to any engagement and discussion on the above matter and your co-operation in this regard is appreciated.

¹ Mergence's Proxy Voting Guidelines are available on request.



Client: Mergence

Company: ASA

Holdings: 1,004,089

ISIN: ZAE000067237

Meeting Type: AGM

Meeting Date: 02 May 2013

Resolution	Subject	In Favour	Against	Abstain
Resolution No 1	To consider the Company financial statements	X		
Resolution No 2	To reappoint the Company's auditors	X		
Resolution No 3	Re-election of C Beggs	X		
Resolution No 4	Re-election of Y Z Cuba	X		
Resolution No 5	Re-election of R Le Blanc	X		
Resolution No 6	Re-election of T S Munday	X		
Resolution No 7	Re-election of M D C D N C Ramos		X	
Resolution No 8	To confirm the appointment of a new director appointed after the last AGM: W E Lucas-Bull	X		
Resolution No 9	To confirm the appointment of a new director appointed after the last AGM: A V Vaswani	X		
Resolution No 10	To confirm the appointment of a new director appointed after the last AGM: P A Clackson	X		
Resolution No 11	Resolution regarding the placing of unissued shares under the control of the directors		X	
Resolution No 12	Non-binding advisory vote on the Company's remuneration policy	X		
Resolution No 13	Special resolution to sanction the proposed remuneration of the non-executive directors, payable from 1 May 2013		X	
Resolution No 14	Special resolution regarding the authority for a general repurchase of ordinary shares of the Company	X		
Resolution No 15	Special resolution of Financial Assistance - section 44	X		
Resolution No 16	Special resolution of Financial Assistance - section 45	X		

Signed:  _____

Date: 22 April 2013