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Our ref RMB Krugerrand
stock count

Head: Commodities Trading and Structuring
Rand Merchant Bank
1 Merchant Place
Corner Rivonia Road and Fredman Drive
Sandton
2196

30 August 2021

Dear Sir

Factual findings report on the agreed upon procedures engagement in connection with the observation of the Brinks Physical Box Counts on 15 April 2021 and 25 August 2021 on behalf of RMB

We have performed the agreed upon procedures engagements in connection with the observation of the Brinks Physical Box Counts on behalf of RMB Johannesburg. Our engagements were undertaken in accordance with the International Standard on Related Services 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of management of RMB.

The procedures are summarised as follows:

The KPMG representative will observe the process as follows:

- A Brinks supervisor and KPMG representative will be cleared by vault security to enter Brinks' vault facility in the Paragon Building at 1 Kramer Road in Bedfordview, Johannesburg.
- Brinks' vault will only be opened in two steps. Firstly, a one-time pin is sent from Brinks' offsite control room for the large vault door. Secondly, an authorised security guard will open the double locked door behind the first heavy door with two separate sets of keys.
- Brinks will issue the KPMG representative with supporting documents, which will include vault cage seal numbers / box numbers said to contain individual coins and serial numbers the day of the count



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- Brinks will commence physical verification of individual cage seal number. There is only one seal per cage.
- Brinks will proceed to cut the seals off each individual cage for the individual box count/box number verification.
- Brinks upon completion of this full process, will then re-seal each individual cage with two seals per cage and record this on the count sheet.
- The KPMG representative may not under any circumstances handle the boxes. They are only permitted to oversee/ witness this process and upon completion of the observation dual sign the count sheet for record purposes, to prove that they attended the count.
- The whole process will take place under Brinks' CCTV off site monitoring.
- Once the audit is completed, the KPMG representative and Brinks' staff will exit the vault facility and Brinks' offsite control room will lock the vault.

We report our findings below:

- KPMG attended the count on 15 April 2021. The Brinks supervisor, Johan Nel, and KPMG were cleared by vault security to enter Brinks' vault facility in the Paragon Building at 1 Kramer Road in Bedfordview, Johannesburg. The security process included recording fingerprints and face, going through a metal detector, as well as retaining the individual's driver's license to be returned after the count when the building is exited.
- KPMG made the following observations:
 - The Brinks' vault facility was opened by a one-time pin sent from Brinks' offsite control room for the large vault door.
 - Secondly, an authorised security guard opened the double locked door behind the first heavy door. These keys were returned to vault security at the end of the count.
 - Brinks issued KPMG with supporting documents, which included vault cage seal numbers/ box numbers said to contain individual coins and serial numbers on the day of the count.
 - Brinks inspected whether each of the 3 cages was in fact sealed and performed a physical verification of individual cage seal numbers.
 - The seals reconciled to the seal numbers as recorded in the last count, which provided a first confirmation that the cages in the vault have not been opened since then.
 - Brinks then proceeded to cut the seals off each individual cage for the individual box count/ box number verification using a bolt cutter.
 - An physical count of each coin was conducted and the amount of coins per shelf and cage was recorded in an Excel spreadsheet by Brinks:
 - The boxes are stacked on top of each other, front and back, in sequence of the serial numbers for the coins in each box, on the 5 shelves of each cage.
 - A full, untampered box contains 25 coins. These boxes are sealed and marked by Rand Fidelity.



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- When RMB redeems coins, the Rand Fidelity seal will be cut, the removed coins will be noted, and the box resealed and marked by Brinks to indicate any future tamper.
- Each seal has a unique, automatically numbered seal that has also been noted on the count sheet. KPMG verified each of these numbers and confirmed that each box was sealed.
- Certain discrepancies were noted during the count. These were confirmed to be typos when Brinks copied the information over to the Excel sheet when the coins were moved from the previous Guardforce facility at OR Tambo to the current facility.

The following discrepancies were noted during the count:

Location	Count sheet	Actual info	Corrected?
Cage A1 Shelf 1, Front	Seal no 0297780	Seal no 0297760	Yes
Cage A1, Shelf 3, Back	Coin no. A29779	Coin no. A29979	Yes
Cage A3, Shelf 2, Front	Seal no 0245238 Total coins: 18	Seal no 0245238 Total coins: 13	Yes
Cage A3, Shelf 3, Front	Seal no 0000000	Seal no 0245211	Yes

- KPMG observed that Brinks upon completion of this process, re-sealed each individual cage and recorded this on the count sheet.
- KPMG did not under any circumstances handle the boxes. KPMG only observed the process.
- Once the observation of the count was completed, KPMG and Brinks' staff exited the Brinks vault facility and Brinks' offsite control room locked the vault.

On 25 August 2021, KPMG attended a second count to confirm the amount of coins, as there had been queries relating to the five coins difference noted during the count on 16 April 2021 (see appendix A).

All procedures as above were reperformed, and no additional differences or inconsistencies were noted. The results of the second count on 25 August 2021 are consistent with those of the first count on 15 April 2021.

KPMG concludes that both counts had been performed with minor discrepancies that have since been corrected, as stipulated above.

As evidenced by the attached summary count sheet (Appendix A) and the cage seal numbers (Appendix A), there were no discrepancies regarding the cage seal numbers.



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As the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance engagements, we do not express any assurance on the compliance with the condition precedent noted above.

Had we performed additional procedures, or had we performed an audit, review, or other assurance engagement of the financial statements; other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set out in the first paragraph of this report and for your information and is not to be used for any other purpose, nor to be distributed to any other parties.

Yours faithfully

A handwritten signature in black ink, appearing to read 'DD Thompson'. The signature is fluid and cursive, with a large initial 'D' and 'T'.

per DD Thompson
Chartered Accountant (SA)
Registered Auditor
Director



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Appendix A

Summary count sheet

Previous count at Guardforce facility

Coins Totals 04 December 2019				
Cage	Coins	Brink's	KPMG	KPMG
A1	5783	5783	5783	5783
B1	6050	6050	6050	6050
A2	5909	5909	5909	5909
B2	5664	5664	5664	5664
A3	5620	5620	5620	5620
B3	2489	2489	2489	2489
Total	31515	31515		

Total count at Paragon Building, 25 August 2021

Coins Totals 04 December 2019					15/04/21	25/08/21
Cage	Coins	Brink's	KPMG	Seal#	New Seal#	New new seal
A1	9633	9633	9633	B1211070	R1,114,978	B1219610
A2	9677	9677	9677	B1211069	R1,114,979	B1219609
A3	12205	12200	12200	B1211068	R1,114,980	B1219608
Total	31515	31510	31510			

Brink's
2021/08/25
12h25

KPMG