

**BOARD MEETING HELD WITH DARCY HERMANN DISCUSSING  
DISPARAGING MESSAGES FROM VAN TONDER SUBSEQUENT TO THE  
BOARD REJECTING THE CREAMS PROPOSAL ON 15 DEC 2017**

**AFRICAN GLOBAL OPERATIONS (PTY) LTD  
REGISTRATION NUMBER: 1981/012426/07**

**MINUTES OF A MEETING OF THE DIRECTORS OF THE COMPANY HELD AT 1 WINDSOR  
ROAD, LUIPAARDSVLEI, MOGALE CITY AT 08H45 ON THURSDAY, 8 FEBRUARY 2018**

<b>PRESENT:</b>	GJ Watson J Gumede NLT Makoko PF Leshabane JSA Leyds SSDT Mathenjwa
<b>APOLOGIES:</b>	M Oliveria TI Dikani
<b>BY INVITATION:</b>	L Watson L Passano  <u>From D'Arcy Herrman &amp; Co. Inc.</u> N Wolmarans P Venter
<b>OVERVIEW AND FEEDBACK RELATING TO UPDATE IN RESPECT OF CURRENT SITUATIONS WITH EX-EMPLOYEES AND ALLEGED COMPLAINTS LODGED WITH AUDITORS:</b>	<p>Nellis Wolmarans thanked the Board for their time and provided an overview of incidents that took place in December 2017 in respect of ex-employees. He referred to the letters addressed to the Board dated 18 January 2018 and 6 February 2018.</p> <p>He confirmed that in December 2017, he received SMS/WhatsApp messages from Andries van Tonder (ex CFO) alleging, cryptically and without providing any details, that money laundering, tax evasion and corruption was taking place and was "widespread within the Group".</p> <p>As Auditors, their actions and procedures are regulated by laws, amongst others the Auditors and Public Accountants Act, the Companies Act and the International Auditing Standards. When an auditor has reason to believe or is satisfied that a material irregularity has occurred (defined as an action perpetrated by a member of management of a company and that action is unlawful or likely to cause financial loss to any stakeholder) the auditors have a duty to report such irregularities to IRBA.</p> <p>To date several communications have been received from A van Tonder, L van Tonder, F Vorster and R le Roux. The abovenamed individuals had telephonic discussions with</p>

Nellis this week requesting that they wish to be registered as "whistle blowers" in terms of the Protective Disclosures Act. It was noted that there is no actual process of registering as a whistle blower with an auditor. The individuals could and would need to make an actual disclosure to the auditors, which action has still not been done from the time that the allegations began in December 2017, and who have to date, not provided any information for the auditors to work with.

A meeting was scheduled for the 15<sup>th</sup> January 2018 between Nellis Wolmarans and the ex-employees for them to provide documentary proof, which meeting was cancelled by Andries van Tonder. The next meeting has been scheduled for 9 February 2018. Nellis confirmed at this meeting, 8<sup>th</sup> February 2018, that he had received e-mails suggesting that the meeting scheduled for the 9<sup>th</sup> February 2018 may not materialize.

For the Auditors to respond accordingly, this situation must be addressed to the Board to explain the current status. As a result thereof, matters have been placed on hold in the finalising of the company's financials for the prior year. The rules state that such process cannot be finalized until dealt with accordingly. Additional audit procedures are needed to take place. Additional Management representation letters are to be signed and if any Directors wish to make disclosures of their knowledge of any wrong-doing, for them to attend to such disclosures.

Nellis advised the board that he will communicating with the ex-employees to either make a disclosure and stipulate the allegation or confirm that they have nothing.

Gavin confirmed and agreed with the processes that the Auditors needed to follow. He advised that the ex-employees were using extortion and blackmail to obtain a "golden handshake" and confirmed that Nellis is to place them on terms for this matter to reach closure.

Louis provided a background of the recent events relating to R Le Roux and advised the auditors that the company had a written statement from Richard Le Roux including a recording that that he had stolen items belonging to the company. The trend for these ex-employees was that when staff members were "caught out", they run to the auditors with allegations.

Gavin confirmed that since January 2017 new policies and procedures had been put in place for various reasons including fraud detection and in so doing, many employees are uncomfortable therewith. Such steps are necessary to work within the best interest of the company.

Jackie advised that the Company had moved to the new ISO 2015 processes and the major drive around that was Risk Based thinking. As a result thereof, the Company's executives were driving this and implementing the necessary risk mitigation processes. This is vital for the company and for future business. As a result of this all Company policies and procedures are realigned with the new standards.

Papa advised that a board resolution was passed in February 2017 that guided the processes put in place after the departure of Mr Agrizzi, more specifically that Gavin as CEO would be involved on a more "hand on" basis within the company. The COO's position was not replaced and it required that each director get involved in their respective divisions.

At no point in time when the ex-employees were in the employ of the company and who still hold such positions, did they disclose any concerns of the allegations that have been made. They held the title of CFO and COO and they chose to leave the employ of the company on their own accord. At all times, Angelo and Andries were part of all board meetings and while they held their respective positions, at no time did they ever disclose any wrongdoing.

Thandi advised that at all times, the Board demonstrated respect for the positions held by Angelo and Andries. Any documents that the Directors were requested to sign, of a financial nature, was first signed for by Andries.

Pre - 2017, Andries and Angelo were delegated authority from the board to act in their respective positions to run the operations of the Company. The board entrusted this to them and relied on them in their delegated positions and reported back to the board on what they were doing. At no stage during the report back sessions were any concerns ever raised by either of them to the Board.

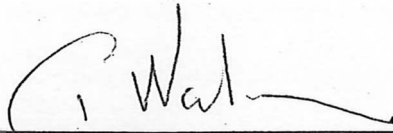
Gavin reiterated that he has streamlined processes to have real time information on hand and in so doing, has changed the way the company is doing business.

	<p>Lindsay advised the auditors that through Intellovate Health Care, that Wits University will be partnering with the company on this venture. The University is risk averse and in light thereof the company needed to look at all the policies and procedures – their conditions / changing how we do things.</p> <p>The Company is in the process of establishing an audit committee. This was welcomed by the Auditors who suggested that they meet with the Audit Committee quarterly to address any issues that may arise.</p> <p>Nellis confirmed that the additional audit was to commence on Monday, 12 February 2018 following the subsequent events. This would cover the period from when the audit was completed to date for all companies. This would be completed within 2 weeks. He apologized for the inconvenience thereof but IRBA strict on these matters and they needed to be followed.</p>
<p><b>RESOLUTIONS:</b></p>	<p>Resolved that:-</p> <ol style="list-style-type: none"> <li>a) The Directors confirm that they have no disclosures to make regarding any knowledge of any irregularities within the Company and that no disclosures had been made to the Board at any time by A Agrizzi and A van Tonder. In respect of Messrs Leon van Tonder, Frans Vorster and Richard Le Roux, at no time during their employ with the company, were any concerns brought to management or the Board relating to any irregularities.</li> <li>b) That the additional Audit be confirmed to commence on Monday, 12 February 2018 for a period of 2 (two) weeks to cover the period that the previous audit ended to date.</li> <li>c) That the Company will establish a Financial Reporting Committee for the sake of Good Governance.</li> </ol>
<p>There being no further business the meeting then closed.</p>	
<p>Signed as a correct record of the proceedings.</p>	

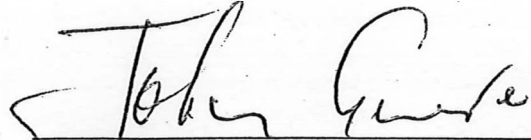
  
 CHAIRPERSON  
 J GUMEDE



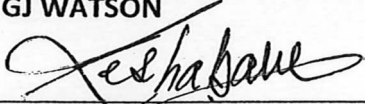
ATTENDANCE REGISTER



GJ WATSON



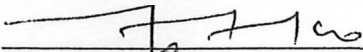
J GUMEDE



PF LESHABANE

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M OLIVERIA



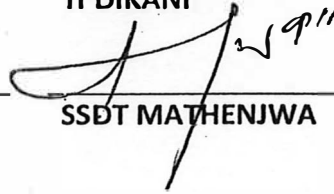
NLT MAKOKO

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TI DIKANI



JSA LEYDS



SSDT MATHENJWA