

From: Angelo Agrizzi <angelo@angeloagrizzi.com>
 Sent: Saturday, 10 March 2018 12:19 PM
 To: [REDACTED]
 Subject: The way forward

[REDACTED]

PLEASE LOOK AT THE ATTACHED SYNOPSIS – STILL IN ITS DRAFT FORMAT, I'M RELUCTANT TO PROVIDE ANYTHING IN FULL AT THIS STAGE UNTIL WE HAVE CERTAINTY IN THE WAY FORWARD.

[REDACTED], all I ask of you is that you are frank and honest with me on the matter, I don't want to waste my time on the matter, if it's a game to play for time – I'm not interested, and seeing that we have always been honest with each other I would expect the same respect I offer you to be reciprocated. Yesterday Gavin seemed very positive and accepting on the matter, his words was how it was to be done needed to be crafted, hence a meeting on Monday with the board, and then one on one meetings with Andries Van Tonder and myself to enable them to understand our commitment and plan going forward. I must mention that the timing is critical, to ensure that the company remains past August 2018.

No doubt there has been a debate and caucusing this weekend, positions might well have changed and I'm not holding my breath at this stage, I am not sure if you noticed that Gavin was erratic, more than likely he is easily swayed by the family. I thought I'd attach the DRAFT analysis, but the fact is what will have to be done, is slowly, slowly we would have to move all the Directors, save for Thandi Makoko (Youth) Joe Gumede, Trevor Mathenjwa, Syvion Dhlamini and Ishmael Dikani who we can manage, so the sooner I can meet with them on a one on one the better, they will have no option but to take the opportunity to make this work.

Gavin's greatest concern is the Political fallout – between you and me, that's the nonsense that Sesinya and Papa have promulgated all along as a warning, the fact remains – no political assistance has ever been forthcoming, nor do any of the directors have any influence. I understand the game, and have played it for Gavin for 18 years, besides companies like Compass and Sodexo actually have a higher growth rate with no political influence. Gavin will recall I since October 2015 begged him to distance himself from the political realm and become A Political.

I would suggest we park Colleen and Louis Passano as well as Papa Leshabane at Roth's company Sunworx (which was subsidized by Gavin anyway), alternatively I will handle soft landing exits for them over a period of time.

Just to re-iterate the benefits in prep for your call and meeting;

- Gavin will be able to have money, and not have to worry about seeking funding to keep this walrus alive assured of dividends
- Gavin can use the opportunity to rid both himself and the company of all the leeches and attachments – to many to mention
- Gavin's "Exit" will alleviate the pressure and spotlight on the group, you can take up a position to watch over his interest.
- The legacy problems and sentimental causes will be eliminated – e.g. Watson Academy, Orange Farm, Kids and relatives
- Will alleviate the SARS historical issue, the focus will move naturally, we discussed this before All staff issues will be resolved
- K Wakeford and the likes similar to [REDACTED] have always ridden the company, yet they haven't delivered a single contract, just used the company – [REDACTED], [REDACTED] all have just been in it for handouts, so this alleviates all these issues.

the whole idea we have is to actually build the Company up with the competencies we know we have that is;

1. Full Facilities and Catering in High Density Operations
2. Catering on various Hospitals and Schools – (something Gavin didn't want to venture into)
3. Youth Detention facilities, coupled with offering to manage Government Owned Old Age Homes, where Government subsidizes them with R1,000,000 per month, to accommodate 60 people, and they cannot do it properly, the offering is no different from a youth centre, and our estimates are it would generate a nett profit of R300,000 per month – if you offer a service at R950,000 per month and you get 10 per province to start, you generating R3 Million profit per month in a sector that no one is contesting for or is interested.
4. Industrial Catering in large scale manufacturing where food provision has become important – SAMCOR, BMW, NISSAN ABI – SAB, ETC

Once we have built a solid entity, then we take it to a Bidvest and the likes and sell it or trade shares, originally I had a meeting with the Bidvest chaps, the only reason the deal didn't potentially go through was because of the Watson name, albeit they think it's a great business (2015) the guys I dealt with are still there and I'm sure they would be interested if they saw the envisaged change and re-focus.

I had a chat with the banks at lunch yesterday. I did not mention which company, the answer to me was that I could easily raise R120,000,000 as a working overdraft. I received a call from the relationship manager this morning who asked me if it was African Global and I responded I couldn't discuss the matter, his answer was quite simply that they know that if I'm involved they will have a restored confidence in the Group of Companies

Lastly, they will argue that they are getting increases on contracts, the maximum permissible is 85% of the price at the prevailing CPI, this calculates to about 5%, and equates to R2,25 Million maximum. It is possible they might also not get this increase from Sibanye and Department of Correctional Services based on their motivation and the actual reduction in prices of foodstuffs.

Enjoy and have a great weekend



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