

ANNEXURE A

YOUR CONDUCT

During or about March 2014, you:

1. Instructed INVESTEC SECURITIES to buy shares in ELLIES HOLDINGS LIMITED on terms and conditions within your peculiar knowledge;
2. Acting on your specific instruction, INVESTEC SECURITIES acquired approximately 5998660m shares in ELLIES HOLDINGS LIMITED at the approximate cost of R24m which shares were held in an unallocated and unassigned account to be assigned and allocated at your discretion.
3. This instruction to INVESTEC SECURITIES and the acquisition of ELLIES HOLDINGS LIMITED was effected without the necessary authority and mandate of the Board of SABIDO INVESTMENTS (PTY) LTD and or its shareholders.
4. Subsequently, you refused, failed or neglected to make a full and complete declaration and disclosure of the transaction to the management and board of SABIDO INVESTMENTS (PTY) LTD and its shareholders.
5. In the result, and for a period, the monthly and financial statements of SABIDO INVESTMENTS (PTY) LTD may contain miss-statements which you were well aware of and failed to effect a correction thereof.
6. As a result of your conduct you have wilfully caused for the shareholders agreement and the covenants set out therein to be breached and in particular the Specially Protected Matters provisions of that agreement.

THE CHARGES:

Arising out of your conduct aforesaid you are charged with the following acts of misconduct:

1. DERELICTION OF DUTY:

The wilful breach of your mandate and authority to manage SABIDO INVESTMENTS (PTY) LTD in a manner diligent, regular and proper and in accordance with the provisions of the Specially Protected Matters aforesaid.

2. GROSS NEGLIGENCE:

The wilful breach of your duty of care for the preparation and fair presentation of annual financial statements that are free from misstatements and the letter of representation to the auditors of SABIDO INVESTMENTS (PTY) LTD.

3. DISHONESTY

The wilful concealment of the transaction following the acquisition of the shares of ELLIES HOLDINGS LTD from:

(a) The management and Board of Directors of SABIDO INVESTMENTS (PTY) LTD

(b) The management and Board of Directors of HCI LTD

for an extended period of time.

4. BREACH OF FIDUCIARY DUTY:

(a) For failing to present a corporate opportunity for consideration;

(b) For having prejudiced the consideration of the corporate opportunity;

(c) For acting in a manner that has resulted in a conflict of interest.

(d) For using information acquired during the course and scope of your employment for personal benefit.

5. BREACH OF THE ETHICS POLICY

Your conduct is in breach of the ethics policy that has the result of undermining the commitment to good corporate governance.

[We reserve the right to add to or amend these charges]