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# HEROLD GIE | ATTORNEYS

established 1894

The Board of Directors  
Hosken Consolidated Investments Limited

For Attention: Directors other than Chairperson,  
Marcel Golding  
VIA EMAIL

cc Koos Pretorius, ENS –  
[kpretorius@ENSafrica.com](mailto:kpretorius@ENSafrica.com)

Your Ref	
Our Ref	LAW/ddt
Direct Tel	021 4644710
Direct Fax	021 4611202
E-Mail	<a href="mailto:ddtraill@heroldgie.co.za">ddtraill@heroldgie.co.za</a>
Date	17 October 2014

Dear Sirs

## RE: MARCEL GOLDING : SUSPENSION AND NOTICE TO ATTEND DISCIPLINARY HEARING

1. We act on behalf of Marcel Golding, who is employed as the CEO of both Sabido Investments Pty Ltd ("Sabido") and e.tv (Pty) Limited.
2. The charge sheet and notice of suspension issued by the board of Hosken Consolidated Investments Ltd ("HCI") refer.
3. For sake of brevity we - in what follows - refer to the subject matter of the charge sheet as "the Ellies transactions."
4. On 6 August 2014 our client disclosed certain relevant information about the Ellies transactions to Johnny Copelyn, CEO of HCI ("Copelyn") and Kevin Govender CFO of HCI ("Govender").

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Commercial, Property, Employment & Public, Pension, Banking, Insolvency, Commercial Recoveries, Wills, Trusts & Estates, Insurance, Personal Injury, Litigation, Family, Sport & Sponsorship Law

Wembley 3, 80 McKenzie Street, Cape Town 8001



DIRECTORS: LINDA JORDAAN BA LLB PG Dip Tax Law (CA(SA)TAX); GREGORY G. ROSS BA LLB (Chief Executive); PETER DENZ BA LLB (Chief Financial Officer); PETER DENZ BA LLB; HENRY MOUTON BA LLB; PIERRE LE ROUX BA LLB Hons B (BA); MARTIN VERMEULEN B REK (Acc) LLB; RICHARD BROWN BA LLB; STEFAN LE ROUX BCom LLB PG Dip Tax; RENÉ FOURIE BCom LLB; KARIN MACKENZIE B Mus MMus BProc LLB LLM; JEREMY KIERCK BA LLB CONSULTANTS: DAVID LOTZ; RICHARD MOFFAT BA LLB; ALASTAIR WYLIE BA LLB; RENEE VAN DEN HEEVER BProc LLM (Family Law) ASSOCIATES: LINDI WADEMAN BProc; TARRYN WOODS LLB

5. Although the Sabido Board met on 7 August 2014 the issue of the Ellies transactions was not tabled at that meeting.
6. The issue was also not tabled at the HCI board meeting of 27 August 2014.
7. On 28 August 2014 Copelyn however wrote to Andre Kriel of Sactwu ("Kriel"), advising him that our client and HCI had agreed to part ways on mutually agreeable terms but that the exact terms of the separation needed to be ironed out in circumstances where Sactwu's consent was required for the implementation of the appropriate exit strategy.
8. Various options were outlined in the letter which pertinently noted the following:  
  
*"We are all committed that this parting, however it is done, will be effected on the basis where we preserve the value we have built in the business to date and we all desperately hope it can be achieved without animosity or recrimination. We have also agreed that we need to finalise the basis of the separation by no later than the 30<sup>th</sup> September 2014 and we are presently arranging a special board meeting of HCI to finalize its terms for early October."*
9. Mention was made of the fact that this timeline was related to requiring matters to be resolved before the HCI shareholder's AGM on 30 October 2014.
10. The essence of the separation proposals involved our client creating a consortium which through an appropriate vehicle, possibly Seardel - would assume control of media assets while HCI would assume control of all non-media assets. The parties would thereafter conduct their separate businesses for the benefit of their shareholders. In this way potentially destructive differences of opinion over future strategy and personality issues could be avoided.
11. Discussions remained constructive and amicable until Sactwu indicated that it was not interested in any outcome where our client could remain on as the CEO of Sabido. Our client's understanding of the situation is that Sactwu's stance is directly related to the pursuance of a certain political agenda - namely a desire by Sactwu and certain individuals closely associated with Sactwu to exert greater control over news content at e.tv and eNCA by ensuring that a CEO less independent than our client assumed control over Sabido.

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The Board of Directors,  
Hosken Consolidated Investments Limited

17 October 2014

We note that our client has in his possession documents and correspondence which in our view, go to show that his perceptions of the attempts to undermine editorial independence and manipulate news content to further certain political interests are well founded. Otherwise stated, the desire of some shareholders to have our client removed as the CEO of Sabido is not related to concerns about what outcomes would be in the best financial interests of both Sabido and HCI shareholders.

12. After Sactwu adopted this stance the board of HCI decided on 08 October 2014 - without reference to the Board of Sabido - to form an investigative committee into the Ellies transactions, to be chaired by Velaphi Mphande ("Mphande").
13. As the executive chairman of the HCI board our client, of course, co-operated and made submissions to that committee.
14. To our client's surprise Mphande on 13 October 2014 however wrote to our client to say the following:

*"Thank you for your cooperation with the Board's Investigation Committee; After thorough deliberations by the committee of all the facts put before them by all parties, the Committee has come to the following conclusion and decision;*

1. *This matter (Ellie's transaction) is very serious and as such requires an immediate disciplinary enquiry.*  
*Action.*
2. *The committee appoints company lawyers, ENS to conduct this enquiry.*
3. *You will be presented with the charge sheet by Tuesday the 14<sup>th</sup> of October 2014.*
4. *You are suspended with full pay, pending the outcome of this enquiry.*
15. Before taking this drastic step the investigation committee did not report its findings to the HCI board to allow it to deliberate on whether disciplinary action was generally warranted or whether suspension was required. Nor was the board told that HCI did not have the power to suspend and charge the CEO of an independent legal entity in which it held shares. Nor was the Board informed that a decision to take steps with a view to terminating the employment of the CEO of Sabido is a "specially protected matter" under the Sabido Shareholder Agreement rendering it a decision that cannot be taken unless agreed to, in writing, unanimously by both HCI and Remgro and unless a Protective Majority of the Board members of both the Sabido and e.tv boards agree thereto.

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The Board of Directors,  
Hosken Consolidated Investments Limited

17 October 2014

16. On 14 October 2014 Mphande wrote to our client enclosing a charge sheet and requiring our client to present himself at the offices of ENS from 27 October to 31 October to answer charges of misconduct relating to the Ellies transactions. There are a number of informational gaps in the charge sheet which we reserve the right to address in due course should the need arise. Our client has of course taken note of the attempt to humiliate our client by not only suspending him but by scheduling his hearing on the same date as the HCI AGM in circumstances where our client is not only the CEO of Sabido but also the Executive Chairman of the HCI board, and one of its founders who owns approximately 8% of its shares.
17. On 16 October 2014 our client indeed made use of his office on e.tv's premises and was subsequently informed by a staff member that Copelyn had issued an instruction that the locks on his office door be changed to bar his entry.

We have advised our client, as follows:

18. As he is the CEO of both Sabido and e.tv it is only their boards that have authority in law to suspend him as their CEO and to charge him with alleged breaches of his authority and mandate to manage Sabido and e.tv.
19. The actions of the board of HCI in purporting to suspend and charging in the manner set out above are accordingly unlawful and/or unfair as a matter of company law, contract law and employment law.
20. Your client is accordingly requested to confirm by 15h00 on Monday 20 October 2014 that our client's purported suspension and disciplining by HCI is withdrawn, failing which urgent court proceedings will be instituted to obtain appropriate relief.
21. Given our client's stature, the prejudice to our client of being barred from going to work and of being seen by the community as one who has been so barred has substantial social and personal implications. That Sabido and e.tv own a television station, and that everything relating thereto will, in consequence be the subject of special media attention is a further relevant factor that should have been taken into consideration.
22. Even if HCI had had the authority to contemplate his suspension (which is denied) its conduct would in either event have been unfair and unlawful for the following reasons:

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The Board of Directors,  
Hosken Consolidated Investments Limited

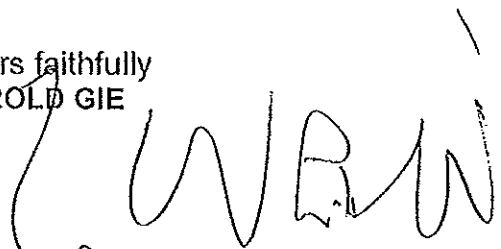
17 October 2014

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- 22.1 no opportunity was afforded to our client to be heard on why he should not be suspended;
  - 22.2 no reasons were given for his degrading and humiliating treatment;
  - 22.3 there was indeed no reason to conclude - and none has been cited - that our client's presence at the workplace poses a threat to the business or might hamper the investigation;
  - 22.4 It was principally effected for the ulterior motive of preventing him from attending the HCI AGM and putting pressure on him to act in manner that would appease certain shareholders who are trying to force him to divest from and no longer exert control over the affairs of Sabido.
23. We thank you for your kind attention to the above and await your response in due course.

Yours faithfully  
HEROLD GIE

per:



L.A. WHITTAKER

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## CIPC Company Report

**windeed**  
 information is our business

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## SEARCH DETAILS

Date requested 2014/10/22 10:37  
 Reference

## COMPANY SUMMARY

Name HCI MANAGERIAL SERVICES  
 Status IN BUSINESS  
 Registration number 1996/017874/07  
 Registration date 1996/12/13

## DIRECTOR AND OTHER SUMMARY

## ACTIVE

Name	ID Number	Type	Status
GOVENDER, THEVENTHERAN GOVINDSAMY	7011065343089	COMPANY SECRETARY (NATURAL PERSON)	ACTIVE

COPELYN, JOHN ANTHONY	5007305105082	DIRECTOR	ACTIVE
GOLDING, MARCEL JONATHAN ANTHONY	6006295138086	DIRECTOR	ACTIVE

## INACTIVE

Name	ID Number	Type	Status
AHMED, MOHAMED HAROUN	6410195152058	DIRECTOR	RESIGNED
OMAR, MAHOMED ASLAM	7105075310086	DIRECTOR	RESIGNED
PIEPKE, LARS MAX	6901095098080	DIRECTOR	RESIGNED

## AUDITOR SUMMARY

PKF (CPT) INC  
 FISHER HOFFMAN PKF (JHB) INCORPORATED  
 DESAI JADWAT INCORPORATED  
 PKF (JHB) INC.

## COMPANY INFORMATION

Enterprise name	HCI MANAGERIAL SERVICES	Status	IN BUSINESS
Registration number	1996/017874/07	Enterprise type	PRIVATE COMPANY
Tax number	9448139718	Business start date	1996/12/13
Short name	-	Registration date	1996/12/13
Translated name	-	Financial year end	3
Old reg. number	961787407	Fin effective date	1997/03/31
Conv. company No	-	CK date received	-
Region	KWAZULU-NATAL	CK date	-
Country	-	Date of type	1996/12/13
Country of origin	-		
Issued shares	-		
Issued capital	-		

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Authorized shares	
Authorized capital	-
SIC code	8814
Industry	UNKNOWN
Registered address	SUITE 801, 76 REGENT ROAD, SEA POINT, WESTERN CAPE, 8005
Postal address	P O BOX 5251, CAPE TOWN, CAPE TOWN, WESTERN CAPE, 8000

**DIRECTOR(S) AND OTHER (5)****COPELYN, JOHN ANTHONY**

Initials	J A	Status	ACTIVE
ID/Passport number	5007305105082	Type	DIRECTOR
Date of birth	1950/07/30	Appointment date	1997/02/20
Profession	BUSINESSMAN	Resignation date	-
Country of residence	SOUTH AFRICA	Member size (%)	0.00
Residential address	24 RONALD AVENUE, CAMPS BAY, 8005	Member contribution (R)	0.00
Postal address	PO BOX 5251, CAPE TOWN, 8000		

**GOLDING, MARCEL JONATHAN ANTHONY**

Initials	M A	Status	ACTIVE
ID/Passport number	6006295138086	Type	DIRECTOR
Date of birth	1960/06/29	Appointment date	1997/02/20
Profession	BUSINESSMAN	Resignation date	-
Country of residence	SOUTH AFRICA	Member size (%)	0.00
Residential address	28 STRATHMORE ROAD, CAMPS BAY, 8005	Member contribution (R)	0.00
Postal address	P O BOX 5251, CAPE TOWN, 8000		

**AHMED, MOHAMED HAROUN**

Initials	MH	Status	RESIGNED
ID/Passport number	6410195152058	Type	DIRECTOR
Date of birth	1964/10/19	Appointment date	1997/02/20
Profession	BUSINESSMAN	Resignation date	-
Country of residence	SOUTH AFRICA	Member size (%)	0.00
Residential address	2 SAN FELICE, 415 RIDGE ROAD, DURBAN, 4001	Member contribution (R)	0.00
Postal address	P O BOX 18881, DALBRIDGE, 4014		

**OMAR, MAHOMED ASLAM**

Initials	MA	Status	RESIGNED
ID/Passport number	7105075310086	Type	DIRECTOR
Date of birth	1971/05/07	Appointment date	1996/12/13
Profession	CLERK	Resignation date	1997/02/20
Country of residence	SOUTH AFRICA	Member size (%)	0.00
Residential address	6 RHODES AVENUE, WESTVILLE, 3630	Member contribution (R)	0.00
Postal address	P O BOX 4969, DURBAN, 4000		

**PIEPKE, LARS MAX**

Initials	LM	Status	RESIGNED
ID/Passport number	6901095098080	Type	DIRECTOR
Date of birth	1969/01/09	Appointment date	1998/06/05

Profession	BUSINESSMAN	Resignation date	1998/12/31
Country of residence	SOUTH AFRICA	Member size (%)	0.00
Residential address	29 ERICA ROAD, BLOUBERG RAND, CAPE TOWN, 7441	Member contribution (R)	0.00
Postal address	FIFTH FLOOR, RHODES BUILDING, 150 ST GEORGES STREET, CAPE TOWN, 8001		

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## SECRETARY COMPANIES AND CC(S) (NONE)

## COMPANY SECRETARY NATURAL PERSON(S) (1)

## GOVENDER, THEVENTHERAN GOVINDSAMY

Initials	T G	Status	ACTIVE
ID/Passport number	7011065343089	Type	COMPANY SECRETARY (NATURAL PERSON)
Date of birth	1970/11/06	Appointment date	2001/12/03
Profession	-	Resignation date	-
Country of residence	SOUTH AFRICA	Member size (%)	0.00
Residential address	29 TAHITI, 1 NORTH BEACH ROAD, UMDLOTI, 4350	Member contribution (R)	0.00
Postal address	P O BOX 18881, DALBRIDGE, 4014		

## BOTH DIRECTOR / OFFICER(S) (NONE)

## ALTERNATIVE DIRECTOR(S) (NONE)

## OFFICER(S) (NONE)

## LOCAL MANAGER(S) (NONE)

## TRUST(S) (NONE)

## AUDITOR(S) (4)

## PKF (CPT) INC

Profession code	CHARTERED ACCOUNTS	Status	CURRENT
Profession number	913596E	Type	AUDITOR
Reg. entry date	2008/05/23	Start date	2007/03/01
Expiry date	-	End date	-
Reference number	-	CM31 completed	2008/05/23
Fine letter	-	CM31 received	2008/05/23
Physical address	4TH FLOOR, COMMUNICARE CENTRE, 2 ROGGEBAAI SQUARE, 8001		
Postal address	PO BOX 7483, ROGGEBAAI, 8012		

## FISHER HOFFMAN PKF (JHB) INCORPORATED

Profession code	CHARTERED ACCOUNTS	Status	NAME CHANGE
Profession number	906395E	Type	AUDITOR
Reg. entry date	-	Start date	-
Expiry date	-	End date	2005/03/01
Reference number	-	CM31 completed	-
Fine letter	-	CM31 received	-
Physical address	2ND FLOOR, FHS HOUSE, 15 GIRTON ROAD, PARKTOWN, 2193		
Postal address	SUITE 200, PRIVATE BAG X30500, HOUGHTON, 2041		

## DESAI JADWAT INCORPORATED

Profession code	INVALID PROFESSION CODE	Status	RESIGN
Profession number	-	Type	AUDITOR

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Reg. entry date	1996/12/13	Start date	1996/12/13
Expiry date	-	End date	1997/03/06
Reference number	-	CM31 completed	1996/12/13
Fine letter	-	CM31 received	1997/11/06
Physical address	SUITE 200 QUEEN CITY, 54 QUEEN STREET, DURBAN, 4001		
Postal address	P O BOX 4969, DURBAN, 4000		
<b>PKF (JHB) INC.</b>			
Profession code	CHARTERED ACCOUNTS	Status	RESIGN
Profession number	906395E	Type	AUDITOR
Reg. entry date	2006/07/18	Start date	2005/03/01
Expiry date	-	End date	2008/05/16
Reference number	-	CM31 completed	2006/07/18
Fine letter	-	CM31 received	2006/07/18
Physical address	PKF HOUSE, 15 GIRTON ROAD, PARKTOWN, 2193		
Postal address	SUITE 200, PRIVATE BAG X30500, HOUGHTON, 2041		

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**CAPITAL INFORMATION**

No capital information to display.

**HISTORY**

Effective Date	Change Type
1997/02/25	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (CHANGE RECORDSURNAME/INSTIT : = OMARFIRST NAMES : = MAHOMED ASLAMSTATUS : = RESIGNED)
1997/03/10	CHANGE OF BOOKYEAR (2)
1997/03/14	NAME CHANGE (SOUTHVALE TRADING)
1997/03/14	NATURE OF BUSINESS CHANGE (SIC CODE) (6)
1997/06/03	AUDITOR/ACC OFFICER CHANGE (CHANGE RECORDNAME : = DESAI JADWAT INCORPORATEDSTATUS : = RESIGNED)
1997/06/11	AUDITOR/ACC OFFICER CHANGE (ADD RECORDNAME = FISHER HOFFMAN SITHOLESTATUS = CURRENT)
1999/02/24	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (CHANGE RECORDSURNAME/INSTIT : = PIEPKFIRST NAMES : = LARS MAXSTATUS : = RESIGNED)
2001/03/01	POSTAL ADDRESS CHANGE (P O BOX 4969DURBAN4000)
2001/03/01	REGISTERED ADDRESS CHANGE (SUITE 200QUEEN CITY54 QUEEN STREETDURBAN4001)
2002/01/16	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (ADD RECORDSURNAME = COPELYNFIRST NAMES = JOHN ANTHONYSTATUS = ACTIVE)
2002/01/16	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (ADD RECORDSURNAME = GOVENDERFIRST NAMES = THEVENTHERAN GOVINDSAMYSTATUS = ACTIVE)
2002/01/16	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (ADD RECORDSURNAME = GOLDINGFIRST NAMES = MARCEL ANTHONYSTATUS = ACTIVE)
2003/07/16	POSTAL ADDRESS CHANGE (P O BOX 1881DALBRIDGE4014)
2003/07/16	REGISTERED ADDRESS CHANGE (3RD FLOOR MB HOUSE641 RIDGE ROADOVERPOORTDURBAN4001)
2005/03/01	AUDITOR/ACC OFFICER CHANGE (FISHER HOFFMAN PKF (JHB) INCORPORATEDPKF HOUSE15 GIRTON ROADPARKTOWN2193SUITE 200PRIVATE BAG X30500HOUGHTON2041STATUS : NAME CHANGE)
2005/03/01	

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	AUDITOR/ACC OFFICER CHANGE (PKF (JHB) INC.PKF HOUSE15 GIRTON ROADPARKTOWN2193SUITE 200PRIVATE BAG X30500HOUGHTON2041STATUS : CURRENT)
2007/03/01	AUDITOR/ACC OFFICER CHANGE (PO BOX 7483ROGGEBAAI8012STATUS : ADDRESS CHANGE)
2007/04/17	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (SURNAME=AHMEDFULL FORENAMES=MOHAMED HAROUNID NO=6410195152058STATUS :RESIGNEDNATURE OF CHANGE=RESIGNED 20/12/2001)
2008/05/16	AUDITOR/ACC OFFICER CHANGE (NO INFORMATION TO DISPLAY)
2008/06/30	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (SURNAME=GOLDINGFULL FORENAMES=MARCEL JONATHAN ANTHONYID NO=6006295138086STATUS :ACTIVENATURE OF CHANGE=UPDATE NAME, ID & ADDRESSES)
2008/06/30	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER (SURNAME=COPELYNFULL FORENAMES=JOHN ANTHONYID NO=5007305105082STATUS :ACTIVENATURE OF CHANGE=UPDATE ID & ADDRESSES)
2009/07/23	POSTAL ADDRESS CHANGE (P O BOX 5251CAPE TOWN8000)
2009/07/23	REGISTERED ADDRESS CHANGE (BLOCK BLONGKLOOF STUDIOSDARTERS ROADGARDENS8001)
2013/12/17	CO/CC ANNUAL RETURN (COMPANY / CLOSE CORPORATION AR FILING - WEB SERVICES : REF NO. : 53207670)
2014/10/06	REGISTERED ADDRESS CHANGE (SUITE 801 76 REGENT ROAD SEA POINT WESTERN CAPE8005)
2014/10/06	REGISTERED ADDRESS CHANGE (SUITE 801 76 REGENT ROAD SEA POINT WESTERN CAPE8005)
2014/10/06	REGISTERED ADDRESS CHANGE (SUITE 801 76 REGENT ROAD SEA POINT WESTERN CAPE8005)

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<company structures, key facts and key individuals.pptx><Minutes -  
21052014.pdf><Remgro memo dated 260814 - handed by MG to Remgro.docx>

**From:** Yunis Shaik <YShaik@hci.co.za>

**To:** Bronwyn Keene-Young <BronwynK@etv.co.za>, Yunis Shaik  
<YShaik@hci.co.za>

**Cc:** MG <MG@etv.co.za>

**Date:** 26 March 2014 at 4:15:10 PM SAST

**Subject: Re: EP**

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On that happy note, let us end this engagement least we pass a  
point of no return.

Y

Sent from my BlackBerry 10 smartphone.

**From:** Bronwyn Keene-Young

**Sent:** Wednesday 26 March 2014 16:01 PM

**To:** Yunis Shaik

**Cc:** MG

**Subject:** RE: EP

Dear Yunis

To say that I am surprised by your response below would be an understatement.

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When you refer to undertakings made by Marcel and myself to Ebrahim Patel I can only assume you are referring to the Sunday meeting at our house where we discussed the infrastructure programme. You have clearly completely misunderstood the nature of that conversation and the manner in which news works.

What was undertaken – and has, by the way, already been delivered - was a series on infrastructure development that would be broadcast in the prime time news as well as repeated during the week. The series has been produced and broadcast by our news team as agreed and is almost at an end. It aired in our prime time news, was repeated several times in the week and aired on e.tv. The commercials were also produced and aired. We have delivered in every way on the agreement and the quality of the broadcasts has been outstanding – not that this has been acknowledged in any way. We also agreed that the Minister would send us a list of infrastructure launch dates – which to my knowledge have never been received – and that we would then be able to plan ahead to include these events in our long-term news diary. Those are the undertakings which you are referring to in your paragraph 2 below – and which were actually personally committed to writing by me in consultation with the Minister.

I have no idea how you leap from the above to a notion that this was an undertaking to broadcast any infrastructure event at last minute's notice or how it entitles you, the Minister or anyone else to suggest that we give such an event certain prominence in the news. Not only does news just not work that way, we would never make such an undertaking as this would betray the principles of independent news coverage. We did the infrastructure coverage as a special series – and promoted as such. We requested a list of infrastructure launches so we could put it in the diary and plan properly. We did not agree to be the mouthpiece of the infrastructure programme at the behest of the DED. I find it difficult to accept that you could ever have understood it in any other way.

With regard to you attempting to contact me – I received no sms or other message from you other than the e-mail I referred to. The last sms I received from you before this issue occurred was on 15th March and related to STB control. After I sent my e-mail to you late the other night, I suddenly received three sms's in a row from you which appeared to be forwarded sms's from GCIS. I have no idea why you chose to send me those messages at that point as you provided no explanation for it. Since then, I have received only one voice message from you – not the numerous messages you refer to below.

As you are well aware I am in a conference of over 90 people – which would obviously also include Patrick as it consists of all our senior people. We start at 7.30am and end at 10pm. I also have my children to look after and have to juggle requests from the 90 or so delegates for meetings during tea breaks, meals, etc. So I have simply not had time to call you and I would hope that you would respect that.

I find it extraordinary that the sentiments which you express in your sms's to Marcel regarding this matter – which he has shared with me – are totally at odds with the tone of your e-mail below. I do not understand why in an e-mail you can address me in the insulting and demeaning manner that you have below, while in your sms's to Marcel you express concern for our relationship. Whatever the reason for your conduct, it seriously impacts on the relationship of trust between us.

For the record, we are not trading the integrity of our news for STB control. That was never on the table and I find it alarming that you could even suggest that. What we have undertaken to do is to improve our coverage of government particularly infrastructure projects – and we did that in the clearly defined parameters of the written agreement between ourselves and the DED which we have complied with to the letter.

Given all of the above, there was no reason for you to contact Patrick and it certainly does contradict our agreement that you would always work through us.

R.N.  
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Your statement that I am "more interested in protecting turf than values" does not merit a response because it is just nonsense. You seem to have no appreciation about the impact on the editorial team of an sms from a shareholder when they do not usually interact with shareholders on any news matter. So, I reiterate, it is inappropriate for you to deal with them directly and it is contradictory to what we agreed. Your reference to "temper tantrum" is quite simply demeaning and insulting. I am a 45-year-old senior manager in this company who has spent most of my working life building this company, my e-mail was entirely warranted and measured and I actually addressed you warmly in the (vain) hope that you would give the matter some serious thought and not respond as you have. For you to address me as you have and to imply that your 12-month stint with the business gives you some superior right to behave as you have, demonstrates an arrogance which, quite frankly, I did not expect from you.

If this is how things are going to be under your chairmanship of the group then I am going to seriously reconsider my future here. I do not say this lightly. I have had exactly this kind of difficulty with Johnny in the past – interestingly, in circumstances where his tone has been strikingly similar to that expressed in the e-mail below - and I have expressed exactly the same sentiment. I have been in this company for fifteen years and quite frankly I have no appetite for this level of rudeness and disrespect at this stage of my life.

I am copying this to Marcel as my direct report. I will leave it to him to decide whether a meeting between you and me would achieve anything given what you have expressed below. And certainly any meetings which I have with you in future will only be in Marcel's presence.

Regards

Bronwyn

**From:** Yunis Shaik [<mailto:YShaik@hci.co.za>]  
**Sent:** 26 March 2014 01:36 PM  
**To:** Bronwyn Keene-Young  
**Subject:** RE: EP

Bronwyn,

1. I received three sms from Ebrahim and a phone call which gave rise to me sending an email to Marcel and yourself – Mark was inadvertent. In addition, I attempted to call you and Marcel and when that failed I sent an sms to both of you. Several hours later and after receiving another phone call from Ebrahim, and you and Marcel still not available, I phoned Patrick which was unsuccessful and in the result I sent an sms to him alerting him of the news and suggested it gets some coverage.
2. The fact that Ebrahim comes knocking on my door arises from the undertaking you and Marcel had given him with regard to coverage of the infra-structure programme. To remind you, you had undertaken to give due coverage to infra-structure programmes that is being unveiled by the government in the evening news. In the words of Marcel: "we will cover the story in the evening news bulletin." In addition to that, etv would do short stories and other paid for advertising.

Ebrahim, is doing no more than rely on an expectation created and no less than by yourself and Marcel. That undertaking is what informs his expectations and the perceived breach of it is what is giving rise to his grievances. He was surprised that etv was not at the scene on the opening day, alerted me of the fact and when it was evident that etv will not be attending he arranged for the GCIS to send us the feed and thereafter enquired if we will carry the story. All of this he is entitled to do founded as it is on the expectation created by the senior management of etv in the presence of a shareholder representative.

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3. As is evident from the facts set out above, I tried to make contact with Marcel and you and made numerous efforts in that regard. Precisely because I was aware you were both unavailable and in a conference, and sensing yet another grievance in the making, I assumed the responsibility to liaise with Patrick. As to why you feel this is a breach of the agreement to "always come through Marcel and me" is beyond me. What is to be done when you are not available, the matter is pressing, the grievances are rising? And the undertaking to give more attention to the news was also to the President and other Ministers as part of our lobbying for support on the STB programme. These Ministers do complain and bitterly so that we do not cover the work of government with any degree of sufficiency.
4. To bolster your criticism you draw on the email I sent to you and Marcel. That was indeed the agreed channel of communication and it is self evident that it was complied with. You incorrectly assume that the sentiments expressed in that mail was the same expressed to Patrick by way of sms. I did not suggest to him that it be the lead story! Nor did I violate the mandate of management!
5. You are quiet right the Media- like the judiciary- is founded on integrity and independence. I am just as much responsible for honouring these values as you are and the suggestion however vague that these values are placed in jeopardy by me sending an sms to Patrick is simply ridiculous. It seems you are more concerned with protecting turf than values. On that matter, I am not acting as a shareholder representative.

I am fielded to go out and secure, so as to promote your best interests, a particular form of Public Policy that requires the unanimous support of Cabinet and the Presidency, in the face of steadfast resistance by just about everyone that matters, and all the while expend every bit of

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personal political capital built and stored over decades, only to suffer what is nothing more than a temper tantrum is truly disappointing. And irritating that you should not have returned any of my calls to this day but found the time to write me this missive under discussion.

- 6. Yeah, it would be good to discuss this in more detail, better sooner rather than later.

**Yunis Shaik**  
 T: 27 21 481 7560  
 F: 27 21 426 2777  
 C: 27 83 265 8161  
[yshaik@hci.co.za](mailto:yshaik@hci.co.za)

<image001.png>

**From:** Bronwyn Keene-Young [<mailto:BronwynK@etv.co.za>]  
**Sent:** 24 March 2014 22:28 PM  
**To:** Yunis Shaik  
**Subject:** Re: EP

Hi Yuni

You sent this to Mark Rosin and me instead of Marcel. We have both been in the conference all day.

But apparently you also asked Patrick to cover the story.

Yuni, that's really not acceptable. You agreed that you will not deal with our management directly and always come through Marcel and me.

And to assume that our news desk would not be aware of this story or have the judgment to evaluate it in the context of everything else that has happened today - or to suggest this as a lead story on the assumption that news wouldn't already have clear view on what their lead would be - is just very disappointing.

Management is there to run the business and deliver the best results - that is their mandate. If shareholders are allowed to make direct requests to line managers, then it puts managers in a position where they are second-guessing themselves. The whole issue of news and news integrity is a sensitive and fragile one - one that we work incredibly hard at.

It would be good to discuss this in more detail at some point but for now I'd just appeal to you never to make this kind of request directly to our managers.

Thanks

Bron

**From:** Yunis Shaik  
**Sent:** Monday, 24 March 2014 15:56  
**To:** Mark Rosin; Bronwyn Keene-Young  
**Subject:** EP

RW.  
/

Marcel,

72

I got a call from Minister Patel today. He says that President Zuma this day opened a new dam. The building of dams is a big issue and has big impact on our country for supply of water etc. he wants for us to cover it tonight.

They have sent us the feed and want for us to use it. As this a big story, it might be a good lead story of the day. Please raise with news desk.

**Yunis Shaik**

T: 27 21 481 7560

F: 27 21 426 2777

C: 27 83 265 8161

[yshaik@hci.co.za](mailto:yshaik@hci.co.za)

<image002.png>

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*R.N.*



"MG 4"  
73

From: Johnny Copelyn [mailto:jc@hci.co.za]  
Sent: Friday, March 28, 2014 10:52 PM  
To: MG  
Subject:

Marcel

I thought it only right to give you a little warning of the issue I want us to discuss on Sunday night.

There is a very strong view within several important corners of HCI that the time has come to part ways with Bronwyn, and I have received several Hi Marcel

I thought it only right to give you a little warning of the issue I want us to discuss on Sunday night.

There is a very strong view within several important corners of HCI that the time has come to part ways with Bronwyn, and I have received approaches to deal with the matter expeditiously.

I have no doubt the matter will, if not attended to, result in a discussion of frustrations at the HCI board in May.

I plan to be away for much of the next month and I can't think of anything worse than leaving the matter to  
ter till then.

While I appreciate it creates the most awkward difficulty given that Bronwyn is your spouse, I feel it is unavoidable that you and I have a discussion about the matter on our own in the first instance.

Sorry to raise the matter so formally but I didn't want to raise it with you blind on Sunday.

Best  
Johnny

Sent from my iPhone

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"MG 5"

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HOSKEN CONSOLIDATED INVESTMENTS LIMITED  
(Incorporated in the Republic of South Africa)  
Registration Number : 1973/007111/06

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD  
AT THE REGISTERED OFFICES OF THE COMPANY, LONGKLOOF STUDIOS, DARTERS  
ROAD, GARDENS ON 21<sup>ST</sup> MAY 2014 AT 10:10

**PRESENT**

M.J.A.Golding	-	Chairman
J.A. Copelyn	-	Chief executive officer
T.G. Govender	-	Chief financial officer
Y.Shalk	-	Executive director
M.L. Molefi	-	Non-executive director
J.G.Ngcobo	-	Non-executive director
V.E.Mphande	-	non-executive director
L.W.Maasdorp	-	non-executive director
B.Hogan	-	non-executive director
F.Magugu	-	non-executive director
R. Watson	-	non-executive director
L.Maasdorp	-	non-executive director
C.Philip	-	Representative of the Company Secretariat

**1. WELCOME**

Mr. Golding welcomed all present and opened the meeting. A special welcome was made to Ms Watson who was appointed to the board of directors of the company as an independent non-executive director at the previous board meeting. The meeting being quorate, the Chairman continued with proceedings.

**2. DECLARATION OF INTERESTS**

Declaration of interests for the financial year ended 31 March 2014 are to be forwarded to the company secretary.

**3. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING**

The minutes of the board meeting dated 19<sup>th</sup> March 2014 were approved by the board subject to the following amendments:

Page 9 – Mr L Maasdorp was appointed Chairperson of the Audit Committee.

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**SABIDO INVESTMENTS**

The rights issue, as approved at the Seardel shareholder meeting on 25<sup>th</sup> March 2014, was very successful. 90% of minorities followed their rights and a further R600m was raised from external shareholders. The debt has been converted into equity and the excess funds have been retained by the company. Sabido is in a discussions with HCI to purchase 100% of Longkloof Investments Ltd so that all of the media assets will reside in Sabido.

We have held preliminary discussions with Rembrandt for them to reverse their Sabido stake into Seardel. A successful conclusion of negotiations would eliminate all conflicts with Rembrandt as all interests in the company would be aligned. The company is offering N shares to Rembrandt which have fewer voting rights than the ordinary shares and considerably less protections that they currently enjoy per their shareholders agreement. Sabido management are also keen to swop their Sabido shares for Seardel N shares.

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*Seardel*

- The company will be theoretically, split into 2 sectors – media and non-media assets. Marcel Golding will continue as CEO of the media sector and Stuart Queen, the CEO of the non-media-sector.
- The board discussed the future shareholding of SIC and the splitting and subsequent listing of the non media assets on the JSE.

*Non-media assets*

- Manufacturing sector – includes textiles and Formex which will be sold to the company
- Properties – Good cash flow. The properties are currently 60% occupied by outside tenants.
- Branded products – includes new distribution rights for 15 branded sportswear products; stationery, electronic goods and Sharp Electronics. There are no manufacturing concerns and the company has the rights to expand into Africa.
- Mr Copelyn complemented Mr Queen, the CEO of Seardel, on an excellent overall performance.

R. N.  
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"MG 6"

77

Regards,

Marcel

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**From:** Kevin Govender [mailto:kgovender@hci.co.za]  
**Sent:** Sunday, August 24, 2014 10:25 AM South Africa Standard Time  
**To:** MG  
**Subject:** Letter

Dear Kevin

1. I confirm that arising from the various discussions we have all been having, I have decided, subject to the caveat in point 3 below, to resign from HCI with effect from 30th September 2014.

In addition I offer my resignation as a member of the board of HCI and all its subsidiaries and associates with effect from that date, though I confirm I am happy to continue to serve on any such boards as a non-executive director for so long as I have a material interest in HCI shares, should HCI so wish.

2. This decision arises from the fact that there has been a breakdown of trust between myself and others in HCI and I feel it is in the best interests of HCI not to allow issues of personality to interfere in the work of HCI.

3. It is my intension to attempt to make a bid for the media assets of HCI currently held in Sabido together with Sactwu. To the extent that Sactwu is prepared to support me in such a bid I would prefer to continue to run the business of Sabido while that bid is under consideration and in the circumstances would want to withhold any resignation in 1. above during such process.

I have committed that I will offer at least 5 million of my HCI shares as partial payment of amounts to be offered to HCI or to Seardel pursuant to that bid.

I appreciate that it is contemplated that our coming board will finalize its decision to support the proposal of the Seardel board to separately list the non-media assets of Seardel and I fully support this.

I appreciate too that going ahead with this decision will require HCI to announce in about a month, a new executive team to manage Seardel as the current team will not be involved with Seardel and its media assets after the split.

Should my bid for the media asset be supported by Sactwu and be under consideration at that point I would

Marcel  
K

hope the hCI board will see fit to appoint me as the CEO of the media company which will allow me to continue to pursue the bid in the form of a management buy out of some kind.

However, should this not be the case, my resignation from HCI and its subsidiaries will become unconditional and I support any other person the board of HCI may appoint as CEO of Seardel and Sabido. 78

To avoid any misunderstandings in relation to the conditionality of my resignation I confirm that I undertake to procure a letter from Sactwu signed by its General Secretary confirming it has agreed to support my efforts in relation to the contemplated bid by not later than 15th September 2014 and that failure to do this will render my resignation unconditional.

Yours Sincerely

Marcel Golding  
Executive Chairman HCI

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"MG7"

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-----Original Message-----

To: Johnny Copelyn  
To: Mr Kevin Govender  
Subject: Fw: Ellies  
Sent: Aug 2, 2013 22:33

Fyi and comment.

-----Original Message-----

From: Carl Esterhuysen  
To: GOLDING MARCEL  
Cc: BROOKING ANDREW  
Subject: Ellies  
Sent: Aug 2, 2013 15:47

Hi Marcel

Thank you for taking time out of your meeting yesterday afternoon to discuss a potential Ellies transaction with us.

As requested I have attached a brief document setting out the proposed salient terms of the transaction for you to discuss with your board on Monday.

Yards  
Carl Esterhuysen

Tel:  
+27(0)11 283 0050  
Mobile:  
+27(0)83 642 0223  
Fax:  
+27(0)86 686 8724  
E-mail  
cesterhuysen@javacapital.co.za  
Web:  
www.javacapital.co.za  
Registration No.  
2002/031862/07  
Postal:  
P O Box 2087, Parklands, 2121

R.N.  
C

Address:

2nd Floor, Redefine Place, 2 Arnold Road, Rosebank, 2196, JHB

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The directors of Java Capital (Proprietary) Limited are A Brooking, C Esterhuysen, T Green, K Joselowitz, W Lawlor, M Simpson and H Talpert.

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**ELLIES BBEE TRANSACTION**

Salient terms

JAVACAPITAL

**AUGUST 2013**

*[Handwritten initials]*

*[Handwritten signature]*

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# INTRODUCTION

## Overview of Ellies

- Ellies Holdings Limited ("Ellies") is a company listed on the JSE in the Electrical Equipment Sector with a market capitalisation of approximately R2,3 billion
- Ellies is a leading South African manufacturer, wholesaler, importer and distributor across a range of sectors including
  - Electrical consumer goods
  - Renewable energy
  - Power management
  - Water and telecommunications infrastructure
- For the year to 30 April 2013 Ellies generated revenue of R1 996 million and EBITDA of R348 million and has a history of generating sustainable growing earnings.
- The Consumer Goods and Services Division generates about 2/3 of group profits with the balance generated by the Infrastructure Division.

P. de K.

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JAVACAPITAL 3

# INTRODUCTION

Compound annual growth rates over past 5 years

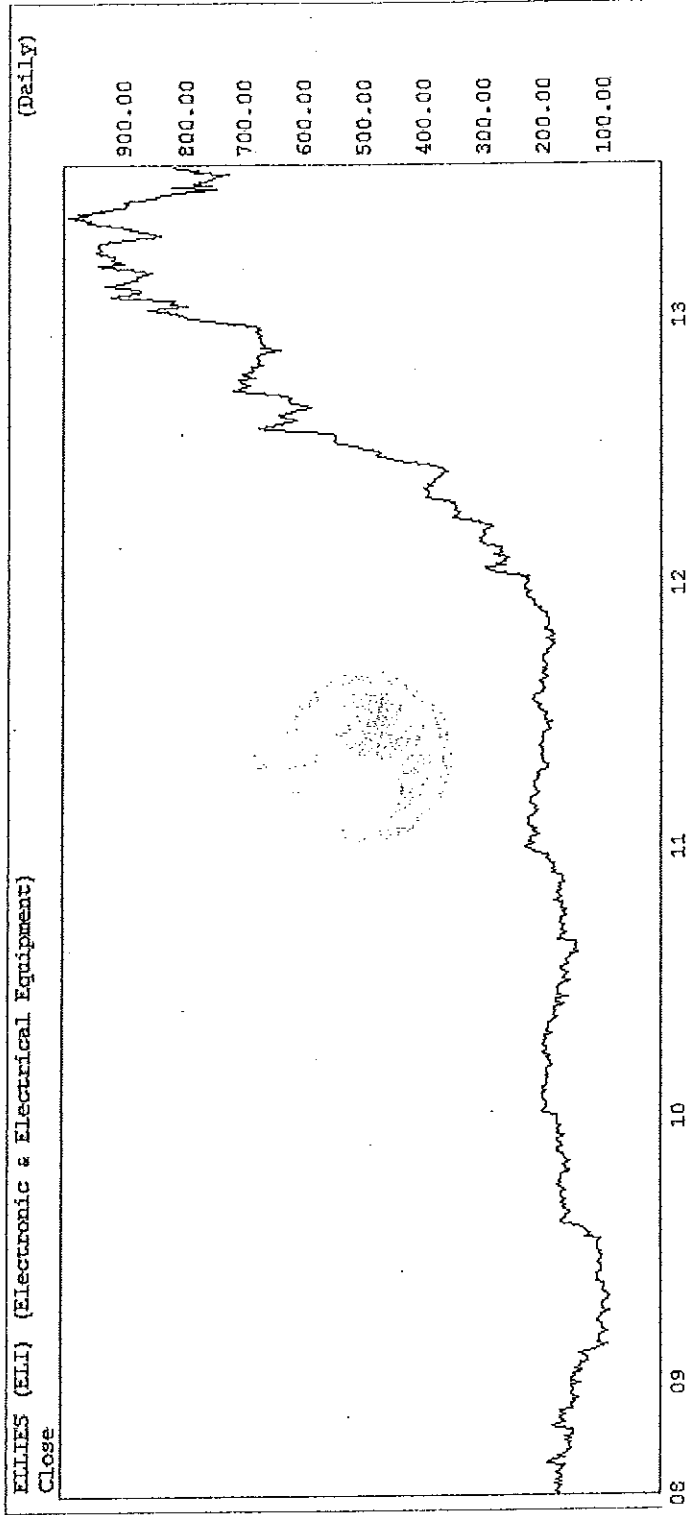
• Revenue	23.3%
• Operating profit	30.7%
• EBITDA	29.4%
• NPAT	31.0%
• HEPS	19.3%
• NTAV	25.7%

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# INTRODUCTION

## Ellies share price

- A consistent financial performance has been rewarded by the market



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## PROPOSED TRANSACTION

### Salient terms

- A single SPV will be formed which will represent a broad based consortium of black investors (“the SPV”)
- The SPV will subscribe for new shares in Ellies which will represent 25% of the enlarged issued share capital of Ellies (“new shares”) – approximately 101 million shares
- The new shares will be issued to the SPV at a 10% discount to the 30 day VWAP (currently 786 cents) prior to issue of the new shares
- The aggregate subscription price for the new shares will be approximately R716m
- The SPV will be “locked in” for a period of 3 years and will be prohibited from disposing of the new shares during this period
- Ellies will not provide any vendor finance or credit enhancement to the SPV for the purposes of acquiring the new shares
- The SPV will be represented on the board of Ellies
- The issue of the new shares will constitute a specific issue of shares for cash in terms of the JSE Listings Requirements and as such will require 75% approval by the Ellies shareholders

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# PROPOSED TRANSACTION

## Value creation forecast example

- On day 1 the 10% discount represents value of approximately R80 million
- Assuming Ellies maintains its historic growth profile the SPV stands to create significant value projected to be R658 million over 3 year lock in period and R4,2 billion by the end of year 10

(R'm unless otherwise indicated)

30 Day VWAP (cents)	786
Number of shares currently in issue ('000)	303 506
Shareholding to be acquired by SPV	25%
Number of new shares to be issued to SPV ('000)	101 169
Share issue discount to 30 Day VWAP	10%
Subscription price of new shares to be issued	716

	Year 0 (2013)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
HEPS (cents)	74.0	88.8	106.6	127.9	153.4	184.1	221.0	265.2	318.2	381.8	458.2
Assumed growth in HEPS		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
PE		10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Number of share held ('000)		101 169	101 169	101 169	101 169	101 169	101 169	101 169	101 169	101 169	101 169
Market value per share (cents)		786	1 132	1 358	1 630	1 956	2 347	2 816	3 380	4 056	4 867
Value of Consortium shareholding		795	1 145	1 374	1 649	1 979	2 374	2 849	3 419	4 103	4 924
Original cost of shares		716	716	716	716	716	716	716	716	716	716
Value created		80	429	658	933	1 263	1 659	2 134	2 703	3 387	4 208
Value created as % of original cost		11.1%	60.0%	92.0%	130.4%	176.5%	231.8%	298.1%	377.8%	473.3%	588.0%

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JAVACAPITAL

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## WAY FORWARD

- Lead consortium members to obtain in principle board approval to pursue transaction
- Detailed non binding term sheet to be agreed upon
- SPV to conduct due diligence investigation
- SPV to select consortium members
- SPV to raise the necessary funding
- Obtain final SPV board approval
- Obtain Ellies 75% shareholder approval to issue the new shares to the SPV

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W.

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# CONTACTS

Andrew Brooking

011 283 0177

abrooking@javacapital.co.za

Cari Esterhuysen

011 283 0050

cesterhuysen@javacapital.co.za

# JAVACAPITAL

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Directors A Brooking C Esterhuysen E Garmon T Green K Joselowitz W Lawlor M Simpson H Talbert  
Registration No 2002/031862/07

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I will give an update of all the areas and companies we have been exploring and why we have been examining these assets.

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### 1. Ellie's

We have been talking to them for the past year to try to buy a stake in the Group. When we started talking they were trading at R 8 to R9. Per share .

Throughout our negotiations we proposed to buy a stake at about R 4 to R 4.50 per share because we saw that as fair value in the company. They are the largest distributor with superior reach in all the major retailers in the country. They have years of experience and have over 20 years built up a substantial presence which is difficult to replicate.

They have 10 branches in the country; 5 in the rest of Africa ; with a foot print that includes Johannesburg, Pretoria, Cape Town, Port Elizabeth, East London, Durban, Nelspruit, Polokwane. Bloemfontien, Upington, Windhoek, Gaborone, Maputo, Bulawayo, Manzini.

They have over 5000 accredited installers with a academy which is training 30 to 50 per month, and presently the largest installer of boxes. They have the capacity to install about 20k boxes per day, with an in store presence in 5000 places including:

Game  
Marko  
House&Home  
Dion Wired  
Ok Furnishers  
Ellerines  
Super Spar  
Pick n Pay  
Checkers, Hyper  
Jet Mart  
Lewis  
Hifi Corporation  
Jumbo Carry&Carry  
Shield  
Inmart  
Tony's  
Kit Kat  
Furn for You  
Town Talk

This is complemented by a 300 to 400 sales people with shelf soce that is difficult to replicate.

Whilst we did not succeed in making headway to get a proposal because they wanted a higher price. To test the availability and liquidity of stock, we initiated a small buying programme and picked up 6 million shares on the market at just under average R4 per share. Since then the stock has dropped because they have delivered bad results in part which they attribute to the slow uptake of OVHD.

I still remain convinced that this Company is a key feature for our expansion. Getting that shelf space in Stores is virtually impossible and with properly trained sales personnel with better product knowledge could make a difference to our box growth. Price remains key, but it is not the only determinant.

Securing a 25 % stake is all that is require to influence the company, because no one really controls the the group. Such an investment will be about R 200million. The founder himself has about 22%, so we could

*[Handwritten signature]*

92

with him change the direction and focus of the company.

Our work with other independent suppliers have also been good, but they do not have the same potential as Ellie's.

R N  
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Conclusion :

The opportunities in the areas we are working have value for the group. Diversifying into a BET ( broadcasting, education and technology ) allow us as a group to lessen risk purely on Broadcasting. It takes the skills we have of of content aggregation; management of intellectual property in a similar way we have done in broadcasting. developing the skills we need in the sector in a way which at the same time creates profits allows us to strengthen sector. By focusing on technology that support these two areas : broadcasting and education means we maximize the utilization of the assets in our portfolio.

Marcel Golding  
August 2014

R. N.  
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C

"MG9"

95

Sent from my iPad

Begin forwarded message:

**From:** Marcel Golding <mgolding@~~XXXXXXXXXXXX~~>  
**Date:** September 12, 2014 at 15:30:05 GMT+2  
**To:** Mr Kevin Govender <kgovender@hci.co.za>  
**Subject:** Ellies Matter

Dear Kevin,

I refer to our discussion last week where you indicated that you had independently investigated the Ellies transaction and spoken to Investec brokers about it. You confirmed with them that throughout all the trades, they were acting on behalf of Sabido or a company of the group but certainly not for any personal account. You mentioned that you had satisfied yourself that there was no dishonesty on my part. Indeed, I asked Investec to hold the shares for Sabido because I contemplated that this would become a transaction which would benefit Sabido and would ultimately be approved by the Investment Committee.

In the light that the shares have dropped below their initial purchase price, I indicated to both you and Johnny previously that I would take the loss and not let Sabido suffer any prejudice. I again confirm that position.

In addition, to eliminate any further future potential conflicts of interest in relation to this company, I suggested to you that I would donate all the Ellies shares to the Wheatfield Estate Foundation Trust (Weft) which you were satisfied with.

Weft is a non-profit Philanthropic foundation which I was the Donor. Bronwyn who was a Trustee has resigned from the Trust so there is not link at all to our immediate family. My sister and cousin are still trustees. It is independently run and managed.

R-N  
L

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I will also for good measure raise this matter at the Sabido investment committee so everyone is fully in the picture of what has happened and what I have done with the shares.

Chat soon.

Regards,

Marcel

R N.  
K



"MG 10"

97

Begin forwarded message:

**From:** Rachel Watson <[rafmwatson@yahoo.com](mailto:rafmwatson@yahoo.com)>  
**Subject:** Re: HCI/ Marcel  
**Date:** 02 October 2014 9:39:09 AM SAST  
**To:** Yunis Shaik <[YShaik@hci.co.za](mailto:YShaik@hci.co.za)>, Morelto Molefi

**Reply-To:** Rachel Watson <[rafmwatson@yahoo.com](mailto:rafmwatson@yahoo.com)>

Morning,  
Noted  
Thanks

Rachel Watson  
Station Manager

Tel: 021-5724320  
Fax: 0866124832  
cell: 0711352419  
[rafmwatson@yahoo.com](mailto:rafmwatson@yahoo.com)

Knowing is not enough, we must apply. Willing is not enough, we must DO.

On Thursday, October 2, 2014 8:53 AM, Yunis Shaik <[YShaik@hci.co.za](mailto:YShaik@hci.co.za)> wrote:

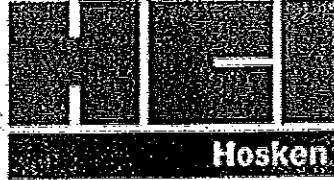
RW  
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Dear All

Set out below is an exchange of emails between John and Andre which is self-explanatory.

98

**Yunis Shaik**  
T: 27 21 481 7560  
F: 27 21 426 2777  
G: 27 83 265 8161  
[yshaik@hci.co.za](mailto:yshaik@hci.co.za)



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## Hosken Consolidated Investments Limited

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**From:** andre kriel [<mailto:andrek@sactwu.org.za>]  
**Sent:** 01 October 2014 09:39 AM  
**To:** Johnny Copelyn  
**Cc:** Yunis Shaik; Kevin Govender  
**Subject:** RE: HCI/ Marcel

Dear Johnny

I refer to your email below and advise as follows:

Firstly, we apologise for this delayed response, but it was necessary that SACTWU considers the matters very carefully again.

In this regard, I advise that we have met with Marcel two weeks ago and have considered the content of that discussion with him very carefully. After further carefully considered reflection, we advise that SACTWU's position (in response to your email) is as follows:

1. Options 1 and 2 is not agreeable to by us.
2. We request that we be advised a reasonable time before the end of October AGM on further developments, following this advice.

I advise further that we have written to Marcel to advise him accordingly.

Kind regards

Andre

---

**From:** Johnny Copelyri [<mailto:jc@hci.co.za>]  
**Sent:** 28 August 2014 11:18 PM  
**To:** Andre Kriel  
**Cc:** Yunis Shaik; Kevin Govender  
**Subject:** HCI/ Marcel

Hi Andre,

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I thought I should write to you just to set out the progress we have made in arriving at a resolution of the difficult discussions we have been having with Marcel. As you know we have pretty much come to an agreement that Marcel will shortly cease to be an executive of HCI and we will part ways. Yunis, Kevin and I will continue to run HCI, and Marcel will chart a new path for himself.

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We are all committed that this parting, however it is done, will be effected on a basis where we preserve the value we have built in the business to date and we all desperately hope it can be achieved without animosity or recrimination.

We have also agreed that we need to finalise the basis of the separation by no later than the 30<sup>th</sup> September 2014 and we are presently arranging a special board meeting of HCI to finalize its terms for early October.

As you may know, the HCI shareholder AGM is to be held on the 30<sup>th</sup> October 2014 and one of the resolutions that will have to be considered at that meeting is the issue of the re-election of Marcel to the board of HCI for another three years. I have indicated to Marcel that there are real prospects that Sactwu may not be agreeable to supporting that resolution and he does understand that it would be most unfortunate if that resolution were to be publically put to shareholders at the AGM and not be carried. Accordingly he (and ourselves) are most desirous that we finalize well beforehand whether or not there is support for him continuing as a director of HCI.

Through a lengthy process of discussion we have identified three possible scenarios for this parting.

1. Option 1: Marcel and Sactwu buy HCI interest in Seardel:

Having regard to Marcel's central involvement in building Sabido for the last 15 years or so, we agree it as being appropriate that Marcel, together with a consortium in which Sactwu is prominently involved, buys HCI's shareholding in Seardel after the non-media assets are unbundled. Essentially this option will involve Marcel swapping 5 million HCI shares for a mixture of Seardel Ords (voting shares) and the balance in N shares. He would personally acquire at least 25% of the Seardel voting shares from HCI and have an economic interest in the company of about 7%. Similarly Sactwu would need to buy Seardel voting shares to give it between 25% and 30% of the shareholder vote. Sactwu would then have a similar economic interest to its voting interest. In all likelihood our existing partners, Rembrandt, would also swap their stake in Sabido for Seardel shares and would also hold about 25% of the voting shares. The business would be controlled by a

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consensus on any issue by at least two out of the three of you. (Between Sactwu and Marcel you would have the majority of voting shares but would have no joint control arrangements between you, as any such arrangement would oblige the two of you to make an offer to buy out all other shareholders in Seardel.)

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2. Option 2: Marcel and others buy Seardel interest in Sabido:

Should Sactwu not want to be drawn into such a shareholding but be agreeable to Marcel buying Sabido from Seardel, he will try to put a consortium together with Rembrandt to buy Seardel's interest in Sabido. The effect of this option is that the cash from the sale would go to Seardel and we could either dividend the cash to Seardel shareholders, some of which would go to Sactwu, or HCI and Sactwu could discuss doing something else with the money.

3. Option 3: Marcel leaves and Sabido remains in HCI:

Should Sactwu not be agreeable to either option 1 or 2 it would mean that HCI remains in control of Sabido through Seardel and Marcel would ultimately resign from being an executive of HCI.

Neither option 1 nor option 2 can be pursued without Sactwu support as they are related party transactions in which the shareholders of HCI and Seardel have to approve by 75% majority. Since Sactwu has 25% or more of the shares of these companies it is not possible to get such approval without Sactwu's support.

In the circumstances Marcel would like to approach you for a discussion about the matter in the hope he can persuade Sactwu to endorse one of the first two options and we have agreed to encourage you to meet with him and hear him out. We are also agreeable to helping to work on the details of the option selected once we all know which alternative we are aiming at. Obviously we will have the tricky issue of agreeing a price etc but there is no point in squabbling about that until we are committed to a solution that we are all trying to make happen.

We really need to know Sactwu's view within a couple of weeks to give Marcel time to solicit support from others, like Rembrandt and perhaps the PIC before we reach our deadline of 30<sup>th</sup> September. There is no way it makes sense to start any such approaches unless he is sure of Sactwu's blessing in advance.

In the event that Sactwu is firmly opposed to either of the first two options I think it is inevitable that Marcel will need to resign from HCI and start afresh. Part of that realignment will be for him to give up the chair of the board of HCI. We have some time ago agreed we would ask

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Yunis to replace him in this role. Marcel would nevertheless remain a very significant minority shareholder in HCI and would still make up a not insignificant part of its BEE ownership. Equally significant, his interest in HCI shares are the vast bulk of his personal wealth. For those reasons, even if we are required by Sactwu to concentrate on option 3 we would still like to know if there would be any problem in Sactwu supporting Marcel remaining as a non-executive member of the HCI board.

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Do feel free to chat to either me, Kevin or Yunis if there is anything unclear about this email. Kevin will in any event contact you shortly to try to arrange for Marcel to come and see you to discuss the matter. I am overseas from this Saturday night until 8<sup>th</sup> September but can be reached on my cel phone if you need me.

One way or another can I ask please that you try to give us all direction by 15<sup>th</sup> September 2014 so we can all get going with whatever needs to be done. Obviously this choice affects many peoples' lives including managers and workers in our media division which employs over 1200 people.

Sorry to press this on you but hope you will be able to help us with direction.

Yours Sincerely  
Johnny

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**STATEMENT BY MARCEL GOLDING TO THE HCI BOARD SUB-COMMITTEE IN RELATION TO THE  
ACQUISITION OF ELLIES SHARES**

1. My actions in relation to the acquisition of shares in Ellies Holdings Limited ("Ellies") were undertaken on behalf of Sabido Investments (Pty) Limited ("Sabido") in the furtherance of the business of Sabido and in my capacity as CEO of Sabido. In the circumstances, it is a matter for the consideration of the Sabido Board and not the HCI Board.
2. Nevertheless, in the interests of transparency, here are the facts relating to the Ellies matter. Because I have had to prepare this at short notice and have been unable to fully canvass all the matters which may affect my rights in relation to any allegations against me, I reserve my right to supplement the facts stated below should any subsequent inquiry take place.
3. Sabido owns a company called Platco Digital (Pty) Limited ("Platco") which launched a free-to-view direct-to-home satellite platform called Openview HD in October 2013. To get Openview HD, consumers have to acquire a set-top-box and satellite dish from a retail outlet and arrange for installation. From the outset, Platco decided it would not purchase set top boxes and distribute them. Instead, Platco informed various electronics distributors of its intentions regarding the launch of a free-to-view platform, and these distributors took their own risk in ordering set top boxes from Platco-approved manufacturers and then distributing them to retail outlets for sale to consumers. Ellies, South Africa's leading TV electronics distributor, became the main distributor of Openview HD set top boxes in this horizontal retail model. Ellies purchased 200 000 set top boxes from a Platco-approved manufacturer and distributed them to the stores of most major retail chains across South Africa where they are sold at a marked-up retail price. Ellies also arranges for the installation of the satellite dishes. Platco neither pays for, nor receives any income from, the sale of the set top boxes or the installation of the satellite dishes.
4. On or about August 2013, Sabido management and Ellies management started discussions with a view to Sabido potentially acquiring a stake in Ellies. At this time the share price was about R7.40. Sabido management believed that as set top box distribution was about to become a major business across Africa (with the introduction of digital terrestrial television), there could be a strategic opportunity in investing in Ellies. This would also enable Sabido/Platco to influence the distribution, retail and installation of Openview HD set top boxes after the platform launched in October 2013. Sabido management proposed to Ellies management that a fair share price was R4 while Ellies wanted a minimum of R6 to R7 per share. Several meetings were held but the parties could not agree on pricing
5. In the meantime, the sales of set top boxes for the Openview HD platform did not achieve the targets set out in the business plan, primarily because (i) the cost to the consumer of the set top boxes was too high and (ii) the horizontal retail model adopted in relation to Openview HD meant that there was an inadequate relationship between Openview HD and the retailers, resulting in weak in-store marketing, ill-informed sales people, etc. Both the price of the STB and the relationship with the retailers were governed by Ellies. These facts are well-documented in the Platco and Sabido board minutes and executive reports.

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6. In this context, during the period 13 March 2014 to 1 July 2014, I started purchasing Ellies shares on the open market when Ellies started trading at a price of R4. I made the purchases through the same Investec stockbrokers that are normally used by HCI for all our transactions. I informed them that I was acquiring these shares on behalf of Sabido and that we needed to keep this trading in a manner ~~which did not shift the price significantly. Accordingly, I asked them to evaluate the liquidity of the~~ share, to slowly acquire an interest for Sabido and to place the shares in a nominee account. At all times they were fully aware that I was trading this on behalf of Sabido and not in my personal capacity. My intention in acquiring these shares was to secure an interest in Ellies which would strengthen Sabido's hand in a more serious engagement with the Ellies management in relation to Sabido acquiring a bigger interest in Ellies. It is important to note that no money flowed from Sabido at any time to fund the acquisition of these shares. I made no further acquisitions after 1 July as I had already acquired just under six million shares which was approaching the 5% threshold which would require the investing party to be disclosed to the Johannesburg Stock Exchange.
7. The Ellies share price subsequently dropped significantly and lost about 50% of its value.
8. On 6 August 2014, I informed both John Copelyn and Kevin Govender, in their capacities as members of the Sabido Board Investments committee about the Ellies share acquisitions and asked whether I should raise it at the investment committee meeting to be held the next morning (7 August 2014). I also informed them of the decline in the value of the Ellies share price. Both of them said that they did not believe we should invest in Ellies and should therefore not discuss it at the investment committee meeting. The matter was not raised at the Sabido investment committee meeting nor the Sabido board meeting which was also held on 7 August 2014.
9. I advised both Johnny and Kevin that I would "take the pain" on the Ellies transaction. I had acquired the shares on behalf of Sabido in anticipation that (i) the value of the share price would be maintained; and (ii) that the Sabido Investment Committee would support the transaction as it was consistent with the efforts to increase the take-up of the Openview HD platform. However, as the share price had dropped and Johnny and Kevin indicated that they did not support the transaction, I was therefore willing to pay for the shares (and take the losses) on my personal account.
10. On 25 August 2014 I informed Sabido Director and Sabido Investment Committee Member, Hein Carse of Remgro, about the details of the Ellies transaction and the fact that I would take personal liability for the acquisition of the shares.
11. The Ellies matter was not raised at the HCI Board meeting of 27 August 2014 nor, to my knowledge, at the HCI Audit Committee meeting which was held a few days prior to the board meeting.
12. On 12 September 2014, I sent a letter to Kevin after he had independently investigated the Ellies matter with the Investec stockbrokers. The letter is attached. I further requested that I be allowed to donate the shares to a philanthropic trust in which I have no personal interest. I also stated that the matter should be tabled at the next Sabido Investments Committee meeting (which is scheduled for November).

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13. Johnny has been aware of the Ellies matter since 6 August and yet the first time that he raised it with the HCI Board was at the meeting of 8 October 2014, which was not even the stated purpose of the board meeting. This is more than two months after he first became aware of the matter. I had been under the impression that given my correspondence with Kevin and the fact that I had assumed personal responsibility for the Ellies shares, this matter was closed, subject to it being formally raised at the Sabido Investment Committee, as proposed by me.

14. For the record, I deny any allegations of improper conduct on my part. I must also say that I'm disappointed that Johnny is now proposing a disciplinary inquiry two months after he became aware of the matter and in circumstances where all other attempts to compel me to resign from HCI and Sabido have failed. It is quite evident that this proposed disciplinary inquiry has been brought to this board at the last minute without notice and has an ulterior purpose, given that either all or part of the HCI executive have been unable to have me acquiesce to their demands that I leave both HCI and Sabido on terms which are unreasonable and have no merit. In the circumstances, I reserve all my rights in relation to the calling of any disciplinary inquiry, its timing and its scope.

10 October 2014

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"MG 72"  
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----- Original Message -----

From: Velaphi Mphande [mailto:[velaphi@velamphande.co.za](mailto:velaphi@velamphande.co.za)]

Sent: Monday, October 13, 2014 07:57 AM South Africa Standard Time

To: MG

Cc: [leslie.maasdorp@icloud.com](mailto:leslie.maasdorp@icloud.com) <[leslie.maasdorp@icloud.com](mailto:leslie.maasdorp@icloud.com)>; Moretlo Molefi <[molefi@telemedafrica.co.za](mailto:molefi@telemedafrica.co.za)>

Subject: Disciplinary Enduiry

Dear Marcel

Thank you for your cooperation with the Board's Investigation Committee;

After thorough deliberations by the Committee, of all the facts put before them by all parties, the Committee has come to the following conclusion and decision;

1. This matter (Ellie's transaction) is very serious and as such requires an immediate disciplinary Action.
2. The Committee appoints company lawyers, ENS to conduct this enquiry.
3. You will be presented with the charge sheet by Tuesday, the 14th of October 2014.
4. You are suspended with full pay, pending the outcome of this enquiry

Your cooperation in this matter will be highly appreciated

Velaphi Mphande.

Lead Independant Director and Chairman of the Committee

Cell. : 083 446 3289

Telephone. : 033 330 3767

Fax. : 033 330 4367

Website. : [www.velamphande.co.za](http://www.velamphande.co.za)

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----- Original Message -----

From: Velaphi Mphande [<mailto:velaphi@velamphande.co.za>]

Sent: Tuesday, October 14, 2014 08:37 PM South Africa Standard Time

To: MG

Subject: Charge Sheet

Dear Marcel

Further to the communication I sent to you on the 13th, October 2014, find attached herewith the charge sheet as stated. Also note that Koos Pretorius of ENS (Africa) shall chair the proceedings.

You will be required to present yourself at the offices of ENS Cape Town, from 27th October to 31 October 2014, during these proceedings, to answer to the alleged misconduct levelled against

Sincerely

This e-mail is subject to our Legal Notice, to view our disclaimer click [here](#)

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ANNEXURE A

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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.

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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

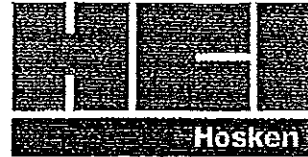
Your conduct is in breach of the ethics policy that has the result of undermining the commitment to good corporate governance.

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

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"MG 14"

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## Hosken Consolidated Investments Limited

HEAD OFFICE  
Sulle 801, 76 Regent Road, Sea Point 8005  
PO Box 5251, Cape Town 8000

Tel: +27 (21) 481 7500  
Fax: +27 (021) 434 1539

14<sup>th</sup> October 2014

Dear Members of the Board

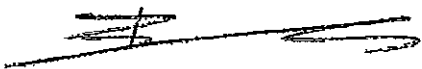
We refer to the special board meeting held on the 8<sup>th</sup> October 2014 wherein a special committee was established and mandated to investigate certain issues of misconduct concerning the Chairman, Marcel Golding.

We write to advise that the committee has concluded its investigation into the alleged misconduct by Marcel Golding concerning the unauthorised share transactions with regards to Ellies Holdings Limited. After thorough deliberations of the committee of all the facts put before them by all parties, the committee has come to the following unanimous decision and conclusion:

1. The matter is very serious and as such requires an immediate disciplinary hearing/enquiry;
2. The company appoints its lawyers, ENS (Africa) Inc, to conduct this enquiry;
3. That Marcel Golding be suspended with full pay, pending the outcome of this enquiry and Marcel to be notified accordingly.

The Chairman of the Committee is currently communicating with ENS for the instructions of the above

Thanking you



Velaphi Mphande  
Lead Independent Director

Directors:

Executive:

Non-Executive:

Company Secretary:

MJA Golding (Chairman) JA Copelyn (Chief Executive Officer) TG Govender (Chief Financial Officer) Y Shaik  
 VM Engel B Hogan LW Maasdorp MF Magugu VE Mphande LM Motafi JG Ngcobo R Watson  
 HCI Managerial Services (Pty) Limited  
 Reg. No. 1973/007111/06

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T

"MG 75"



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## Hosken Consolidated Investments Limited

HEAD OFFICE  
Longkloof Studios  
PO Box 5251, Cape Town 8000

Tel: +27 (21) 481 7560  
Fax: +27 (21) 426 2777  
E-mail: [info@hci.co.za](mailto:info@hci.co.za)

20 October 2014

Mr. L.A. Whittaker

[ddtraill@heroldgie.co.za](mailto:ddtraill@heroldgie.co.za)

Herold Gie Attorneys  
Wembley3, 80 McKenzie Street,  
Cape Town  
8001

Your Ref: LAW/DDT

Re: **MARCEL GOLDING: SUSPENSION AND DISCIPLINARY ENQUIRY**

1. Your letter dated 17 October 2014 addressed to "The Board of Directors" of HCI Limited refers. I am directed to reply to your letter, both on its behalf and on behalf of HCI Managerial Services (Pty) Ltd ("HCI Managerial Services"), the employers of your client ("the Employers"). I request you and your client to address all further correspondence in relation to this matter, for my attention.
2. At the outset, we record that your client is not employed by Sabido Investments (Pty) Ltd ("Sabido") or E.TV (Pty) Ltd ("E.TV"), as you claim in numbered paragraph 1 of your letter under reply, regardless of the fact that he may be a director of these and other companies in the HCI Group of Companies.
3. Your client renders certain management services to HCI Limited and various of its subsidiaries, including Sabido and E.TV in terms of a management

*Directors:*

*Executive:*

*Non-Executive:*

*Company Secretary:*

MJA Golding (Chairman) JA Copelyn (Chief Executive Officer) TG Govender (Chief Financial Officer) Y Shaik  
VM Engel B Hogan LW Maasdorp MF Magugu VE Mphande LM Molefi JG Ngcobo R Watson  
HCI Managerial Services (Pty) Limited  
Reg. No. 1973/007111/06

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agreement. In regard to Sabido and E.TV, your client renders such services as an employee of HCI Managerial Services and is assigned by HCI Managerial Services under the direction of HCI Limited. As such, the Employers have the right to discipline your client and to suspend him as an employee, pending the outcome of the disciplinary enquiry, which has been initiated by the Employers.

4. Accordingly, the contentions set out in paragraphs 18 and 19 of your letter under reply, are incorrect.
5. Insofar as you suggest or contend that your client has been suspended as a director of either Sabido or E.TV, such a contention is plainly incorrect. Your client's suspension pending the disciplinary enquiry, relates only to his position as employee of the Employers. Your client's directorships remain unaffected, and the Employers expect him to fully comply with his obligations arising therefrom.
6. The Employers take note that your client:
  - a. acknowledges receipt of the notice to attend the disciplinary enquiry and of his suspension;
  - b. acknowledges that a termination of his employment is and was, at all times, mutually sought and embraced;
  - c. declares that he does not hold himself accountable to and accept the authority of the Board of HCI Limited (and its duly mandated and authorised sub-committee) and HCI Managerial Services and is not willing to abide by their lawful directives and resolutions; and
  - d. repudiates his contract of employment.
7. I do not intend to address each and every matter raised in your letter but reserve the right to do so should the need arise in the future. It would suffice to say that a failure to deal with any particular allegation is not intend to be an admission of the truth thereof. All of the Employers' rights to traverse the various contentions and allegations contained in your letter, are strictly and expressly reserved.
8. Your letter raises complex matters of law and fact and on account of the short notice, I reserve the right to supplement this reply after consulting with the Employers' attorneys.
9. The conduct that has given rise to the suspension of your client, as an employee, arises out of his alleged gross misconduct and breach of fiduciary duties, in

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Directors:

Executive:

Non-Executive:

Company Secretary:

IJA Golding (Chairman) JA Copelyn (Chief Executive Officer) TG Govender (Chief Financial Officer) Y Shaik

VM Engel B Hogen LW Maasdorp MF Magugu VE Mphande LM Molefi JG Ngcobo R Watson

HCI Managerial Services (Pty) Limited

Reg. No. 1973/A007111/06

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accordance with the charge sheet provided to your client by the Sub-Committee, duly mandated by the Board of HCI Limited.

10. The Employers again call upon your client to attend the disciplinary enquiry that has been called, to make a full disclosure at the hearing in terms of his fiduciary duties and to answer various charges of gross misconduct, as set out in the charge sheet delivered to him.
11. As regards your client's allegations that the disciplinary enquiry is motivated by an ulterior purpose and a so-called "political agenda", this is emphatically denied. Such allegations are untrue, self-serving, defamatory of the HCI Group and in breach of your client's fiduciary duties to the Employers.
13. It has come to the attention of HCI Limited that your client, without any authority to do so, has held a meeting, in secret, with Remgro in an endeavour to garner support and be absolved for the alleged misconduct he is called upon to answer. In addition:
  - a. He caused for Messrs Brownwyn Keene Young and Mark Rosen to attend such a meeting, these two are employees of Sabido;
  - b. Failed to make any full and complete disclosure of the meeting, its purpose and deliberations;
  - c. Directed the employees mentioned not to disclose the fact that such a meeting was held;
  - d. By conducting himself in this manner he has unlawfully interfered in the relationship between shareholders of Sabido and sought, unlawfully, to influence the decisions of the shareholders of Sabido so as promote protect a personal interest or benefit; and
  - e. After having held such a meeting, failed to disclose and accordingly misled the Financial Director of HCI Limited that any meeting was held with Remgro.
14. Accordingly, and in accordance with your client's fiduciary duties, the Employers require that:
  - a. Your client makes a full and complete disclosure of all or any past meetings he has held with Remgro, concerning his alleged conduct described more fully in the charge sheet, and the full nature and extent of the discussions held at such meetings;

Directors:

Executive:

Non-Executive:

Company Secretary:

MJA Golding (Chairman) JA Copelyn (Chief Executive Officer) TG Govender (Chief Financial Officer) Y Shaik  
VM Engel B Hogan LW Maasdorp MF Magugu VE Mphande LM Molefi JG Ngcobo R Watson  
HCI Managerial Services (Pty) Limited  
Reg. No. 1973/007111/06

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- b. Your client delivers an undertaking, forthwith, that he will cease and desist from engaging and holding any further discussion with any representatives of Remgro and/or any entity in which HCI Limited has a vested interest;
  - c. Your client will not interfere with, influence, interrupt or cause HCI Limited to suffer any economic harm, whether in relation to itself or any entity in which it holds an interest;
  - d. He will not purport to instruct any employee in any subsidiary that has the effect of circumventing the suspension or undermining it, whilst it is in force; and
  - e. Your client will not purport to act on behalf of HCI Limited or any of its subsidiaries, save with the express written consent and authority of HCI Limited.
15. Such written disclosure and undertaking is required immediately and in any event, no later than 13h00 on Tuesday, 21 October 2014.
16. If, in the event your client would continue to conduct himself in the manner complained of, which is manifestly unlawful, the Employers will seek the appropriate relief in a court of law and claim damages suffered as a consequence thereof.
17. The conduct set out in the notice to attend the enquiry was referred to a Special Meeting of the Board of Directors of HCI Limited, held on the 8 October 2014.
18. Your client was given a full opportunity to be heard and he availed himself of the opportunity to make representations, which were duly considered by the Board's Sub-Committee.
19. It is a matter for comment that your client, on the one hand, denies that he is required to account to the Board of Directors of HCI Limited, but, on the other hand, claims that he was not afforded the right to make representations.
20. I am directed to inform you, as I hereby do, that the disciplinary enquiry will proceed as planned on the dates scheduled. In the event that your client does not appear at the enquiry, the Employers will, in the absence of a compelling reason, request the chairperson that the enquiry be conducted in his absence.
21. In the circumstances, the Employers deny that there is any basis for your client to seek the threatened urgent relief referred to in your letter, but for the sake of

Directors:

Executive:

Non-Executive:

Company Secretary:

MJA Golding (Chairman) JA Copelyn (Chief Executive Officer) TG Govender (Chief Financial Officer) Y Shaik

VM Engel B Hogan LW Maasdorp MF Magugu VE Mphande LM Molefi JG Ngcobo R Watson

HCI Managerial Services (Pty) Limited

Reg. No. 1973/007111/06

*P.N.*  
*e*

good order I record that if such application is brought, it will be opposed. The Employers would respectfully suggest to you and your client that such threatened action be carefully considered.

22. All of the Employers' rights in this regard are reserved.

Yours faithfully

  
YUNIS SHAIK

---

Directors:

Executive:

Non-Executive:

Company Secretary:

MJA Golding (Chairman) JA Copelyn (Chief Executive Officer) TG Govender (Chief Financial Officer) Y Shaik

VM Engel B Hogan LW Maasdorp MF Magugu VE Mphande LM Molefi JG Ngcobo R Watson

HCI Managerial Services (Pty) Limited

Reg. No. 1973/007111/06

*R. N.*  
*e*

"MG 16"

**From:** of Lawrence Whittaker  
**Sent:**  
**To:** d Brown; Simone Wolfaardt; Wim  
**Cc:**  
**Subject:**

115

FYI



Lawrence Whittaker [lwhittaker@heroldgie.co.za](mailto:lwhittaker@heroldgie.co.za)  
Director 120 YEARS

Herold Gie Attorneys  
Wembley 3, 60 McKenzie Street, Cape Town 8001  
T +27 (0)21 464 4710 F +27 (0)21 464 4876

[www.heroldgie.co.za](http://www.heroldgie.co.za) Disclaimer [f](#) [t](#) [in](#)

**From:** Yunis Shaik [<mailto:YShaik@hci.co.za>]  
**Sent:** 21 October 2014 03:02 PM  
**To:** Diane Duncan-Traill  
**Subject:** Marcel Golding: Enquiry and Scheduling

Mr Whittaker,

For clarification, the enquiry will not convene during the hours your client needs attend on the AGM of HCI Ltd or any related scheduled meetings of the company.

Please, favour me with a call on my mobile 076 727 7305 that we may discuss any diary conflicts that I may not be mindful of.

I wish also to discuss representation, discovery and agree matters common cause and the issues of dispute.

Please take note we have moved offices and the letterhead still bears the old address. I prefer you email me as I am due to appear before a Tribunal in Pretoria today and tomorrow.

Yours Faithfully,

Yunis Shaik

Sent from my iPhone

**Disclaimer**

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

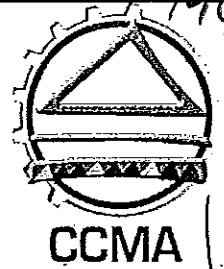
This email has been scanned for viruses and malware, and automatically archived by Mimecast SA (Pty) Ltd, an innovator in Software as a Service (SaaS) for business. Mimecast Unified Email Management™ (UEM) offers email continuity, security, archiving and compliance with all current legislation. To find out more, [contact Mimecast](#).

RLB

"14677"

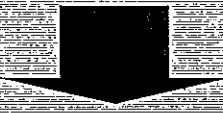
LRA Form 7.11  
Labour Relations Act 1995  
Sections 133, 135, 191(1) and  
191(5A)

**PART A**  
**REFERRING A DISPUTE TO**  
**THE CCMA FOR CONCILIATION**  
**(INCLUDING CON-ARB)**



6

**READ THIS FIRST**



**WHAT IS THE PURPOSE OF THIS FORM?**

This form enables a person or organisation to refer a dispute to the CCMA for conciliation and con-arb.

**WHO FILLS IN THIS FORM?**

Employer, employee, union or employers' organisation.

**WHERE DOES THIS FORM GO?**

The Registrar, Provincial Office of the CCMA in the province where the dispute arose. See details on this page.

**WHAT WILL HAPPEN WHEN THIS FORM IS SUBMITTED?**

When you refer the dispute to the CCMA, it will appoint a commissioner who must attempt to resolve the dispute within 30 days.

**OTHER INSTITUTIONS**

Please note that if you are covered by a bargaining council, a statutory council or an accredited agency you may have to take the dispute to that council or agency.

You may also need to deal with the dispute in terms of a private procedure if one applies.

If in doubt contact the CCMA for assistance.

**FURTHER INSTRUCTIONS**

A copy of this form must be served on the other party.

Proof that a copy of this form has been served on the other party must be supplied by attaching:

- A copy of a registered slip from the Post Office;
- A copy of a signed receipt if hand delivered;
- A signed statement confirming service by the person delivering the form;
- A copy of a fax confirmation slip, or
- Any other satisfactory proof of service.

**PROVINCIAL OFFICES OF THE CCMA**

**CCMA EASTERN CAPE – East London**  
6 Oxford Street  
**EAST LONDON**  
Private Bag X9068, EAST LONDON, 5200  
Tel: (043) 743-0826  
Fax: (043) 743-0810  
Email: PE@ccma.org.za

**CCMA EASTERN CAPE – Port Elizabeth**  
CCMA House, 107 Govan Mbeki Avenue  
**PORT ELIZABETH**  
Private Bag X22500, PORT ELIZABETH, 6000  
Tel: (041) 505-4300  
Fax: (041) 586-4585  
Email: PE@ccma.org.za

**CCMA FREE STATE**  
CCMA House, Cnr Elizabeth & Westburger Streets  
**BLOEMFONTEIN**  
Private Bag X20705, BLOEMFONTEIN, 9300  
Tel: (051) 505-4400  
Fax: (051) 448-4468/9  
Email: BLM@ccma.org.za

**CCMA GAUTENG – Johannesburg Regional Office**  
127 Fox Street  
**JOHANNESBURG**  
Private Bag X94, MARSHALLTOWN, 2107  
Tel: (011) 220-5000  
Fax: (011) 220-5101 / 02/03/04/05 / 0861 392 262  
Email: Johannesburg@ccma.org.za

**CCMA GAUTENG – Tshwane (Pretoria)**  
Metro Park Building, 351 Schoeman Street  
**PRETORIA**  
Private Bag X176, PRETORIA, 0001  
Tel: (012) 392-9700  
Fax: (012) 392-9701/2  
Email: Pretoria@ccma.org.za

**CCMA KWAZULU-NATAL – Durban**  
Embassy Building, 199 Smith Street  
**DURBAN**  
Private Bag X54363, DURBAN, 4000  
Tel: (031) 362-2300  
Fax: (031) 368-7387 / 7407  
Email: KZN@ccma.org.za

**CCMA KWAZULU-NATAL – Pietermaritzburg**  
Gallwey House, Gallwey Lane  
**PIETERMARITZBURG**  
PO Box 72, PIETERMARITZBURG, 3200  
Tel: (033) 345-9249 / 9271  
Fax: (033) 345-9790  
Email: KZN@ccma.org.za

**CCMA KWAZULU-NATAL – Richards Bay**  
First Floor, Promenade Building, Cnr Tassel Berry & Lira Link Streets  
**RICHARDS BAY**  
Private Bag X1026, RICHARDS BAY, 3900  
Tel: (035) 789-0357  
Fax: (035) 789-7148  
Email: KZN@ccma.org.za

**CCMA LIMPOPO**  
CCMA House, 104 Hans van Rensburg Street  
**POLOKWANE**  
Private Bag X9512, POLOKWANE, 0700  
Tel: (015) 297-5010  
Fax: (015) 297-1649  
Email: PTB@ccma.org.za

**CCMA MPUMALANGA**  
CCMA House, Diedericks Street  
**WITBANK**  
Private Bag X7290, WITBANK, 1035  
Tel: (013) 656-2800  
Fax: (013) 656-2885/6  
Email: WTB@ccma.org.za

**CCMA NORTHERN CAPE**  
CCMA House, 5-13 Compound Street  
**KIMBERLEY**  
Private Bag X6100, KIMBERLEY, 8300  
Tel: (053) 831-6780  
Fax: (053) 831-5948  
Email: KMB@ccma.org.za

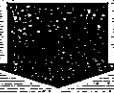
**CCMA NORTH WEST - Klerksdorp**  
CCMA House, 47 Siddle Street  
**KLERKSDORP**  
Private Bag X5004, KLERKSDORP, 2570  
Tel: (018) 464-0700  
Fax: (018) 462-4126  
Email: KDP@ccma.org.za

**CCMA NORTH WEST - Rustenburg**  
Shop SG7 11B, 43-45 Boom Street  
**RUSTENBURG**  
Private Bag X82104, RUSTENBURG, 0300  
Tel: To be confirmed  
Fax: (014) 538-1267  
Email: To be confirmed

**CCMA WESTERN CAPE**  
CCMA House, 78 Darling Street  
**CAPE TOWN**  
Private Bag X9167, CAPE TOWN, 8000  
Tel: (021) 469-0111  
Fax: (021) 465-7193/7  
Email: CTN@ccma.org.za

W. Cupido

**READ THIS FIRST**



Tick the correct box

The name of the employee or an employer that is referring the dispute must be filled in (a).

If there is more than one employee to the dispute and the referring party is not a trade union, then each employee must supply their personal details and signature on a separate page, which must be attached to this form.

These alternate contact details should be of a union official or representative, a relative or a friend.

The name of the trade union or employers organisation that is referring the dispute or assisting a member to refer a dispute must be filled in (b).

**OTHER PARTIES**

If more than one party is referring the dispute or if the dispute is referred against more than one party, write down the additional names and particulars on a separate page and attach to this form.

Tick the correct box

**1. DETAILS OF PARTY REFERRING THE DISPUTE**

As the referring party, are you:

- An employee
- A trade union
- An employer
- An employer's organization

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(a) Name of the party if the referring party is an employee or employer

Name:.....MARCEL JONATHAN ANTHONY GOLDING.....

ID Number: 600729 5138 08 6.....

Postal Address: PO Box 15444, Vlaeberg.....

Postal Code: 8018.....

Tel: 021 464700..... Cell: 082 457 7777.....

Fax:..... Email: lwhittaker@heroldgie.co.za.....

Alternate contact details of employee:

Name:.....RICHARD BROWN of HEROLD GIE ATTORNEYS

Postal Address:..WEMBLEY 3, 80 MCKENZIE STREET, CAPE TOWN

Postal Code:.....8001

Tel:..021 464-4700..... Cell:.....

Fax:..021 464-4871..... Email: ..rbrown@heroldgie.co.za

(b) Name of the referring party if the referring party is an employer's organisation or trade union, or if the employer's organisation is assisting a member to the dispute

Name:.....

Postal Address:.....

Postal Code:.....

Tel:..... Cell:.....

Fax:..... Email: .....

**2. DETAILS OF THE OTHER PARTY (PARTY WITH WHOM YOU ARE IN DISPUTE)**

The other party is:

- An employee
- A trade union
- An employer
- An employer's organisation

Name: ....HCI MANAGERIAL SERVICES (PTY) LTD & 3 OTHERS

[PLEASE SEE "MG1" FOR THE NAMES OF ADDITIONAL PARTIES]

Postal Address: PO Box 5251,.....

Cape Town..... Postal Code: 8000.....

Tel: 021 486 7560..... Cell:.....

Fax: 021 426 2777..... Email: .....

Please turn over

Handwritten initials and signature

118

3. NATURE OF THE DISPUTE

What is the dispute about (tick only one box)?

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Unfair dismissal   | <input checked="" type="checkbox"/> Unfair Labour Practice<br><i>(Give details)</i> | <input type="checkbox"/> Refusal to Bargain   |
| <input type="checkbox"/> Organisational Rights                                      | <input type="checkbox"/> Mutual Interest  | <input type="checkbox"/> S80 BCEA   |
| <input type="checkbox"/> Unilateral change to terms<br>and conditions of employment | <input type="checkbox"/> Severance pay<br>S41 BCEA                                  | <input type="checkbox"/> Unfair Discrimination<br>S10 of the Employment<br>Equity Act <i>(Give details)</i> |
| <input type="checkbox"/> Interpretation/ Application of<br>Collective Agreement     | <input type="checkbox"/> Disclosure of Information                                  | <input type="checkbox"/> S19 Skills Development<br>Act  |
| <input type="checkbox"/> Freedom of Association                                     | <input type="checkbox"/> Unfair Labour Practice<br>(probation)                      |   |
| <input type="checkbox"/> Other <i>(please describe)</i> .....                       |   |   |

Summarise the facts of the dispute you are referring: .....

SEE ANNEXURE "MG2" HERETO FOR A SUMMARY OF THE FACTS.

4. DATE DISPUTE AROSE

The dispute arose on: 1 OCTOBER 2014  
(give the date, day, month and year)

The dispute arose where: CAPE TOWN  
(give the city/town in which the dispute)

If the dispute concerns a dismissal the date inserted here must be the same as that set out in Item 2 of Part B.

5. DETAILS OF DISPUTE PROCEDURES FOLLOWED

Have you followed all internal grievance / disciplinary procedures before coming to the CCMA?  YES  NO

Describe the procedures followed:.....NONE WERE POSSIBLE  
 .....  
 .....

6. RESULT OF CONCILIATION

What outcome do you require?.....

DECLARING THE SUSPENSION AND ~~DISCIPLINARY INQUIRY~~ TO BE UNFAIR.  
~~REINSTATEMENT.~~

Declaring the instruction to me to attend the disciplinary inquiry to be unfair.

Please turn over →

Tick the correct box

If the dispute concerns dismissals, also complete Part B (See Page 5)



This section must be completed!

If necessary write the details on a separate page and attach to this form

UNFAIR LABOUR PRACTICE

If the dispute(s) concerns an unfair labour practice the dispute must be referred (ie. received by the CCMA) within 90 days of the act or omission which gave rise to the unfair labour practice. If more than 90 days has elapsed you are required to apply for condonation.

Handwritten initials/signature

119

Tick the correct box

Parties may, at their own cost, bring interpreters for languages other than the official South African languages. Please indicate this under 'other'.

Special features might be the urgency of the matter, the large number of people involved, important legal or labour issues etc.

Only fill this in if this is a dispute about unilateral change to terms and conditions of employment.

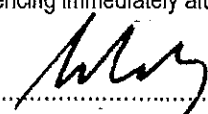
The con-arb process involves arbitration being held immediately after the conciliation if the dispute remains unresolved.


Only fill this in if you object to the arbitration commencing immediately after conciliation. An objection cannot be made in disputes relating to probation.

- 7. SECTOR**
- Indicate the sector or service in which the dispute arose.
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Retail sector | <input type="checkbox"/> Private Security                                | <input type="checkbox"/> Public Service    |
| <input type="checkbox"/> Mining        | <input type="checkbox"/> Paper & Printing                                | <input type="checkbox"/> Health            |
| <input type="checkbox"/> Motor         | <input type="checkbox"/> Services  | <input type="checkbox"/> Chemical          |
| <input type="checkbox"/> Distribution  | <input type="checkbox"/> Food & Beverage                                 | <input type="checkbox"/> Agriculture       |
| <input type="checkbox"/> Wholesale     | <input type="checkbox"/> Building & Construction                         | <input type="checkbox"/> Contract Cleaning |
| <input type="checkbox"/> Domestic      | <input type="checkbox"/> Other (please describe)..... <b>MEDIA</b> ..... |  |

- 8. INTERPRETATION SERVICES**
- Do you require an interpreter at the conciliation / con-arb?  YES  NO
- If yes, please indicate for what language:
- |                                    |                                     |   |                                   |
|------------------------------------|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> Afrikaans | <input type="checkbox"/> isiNdebele | <input type="checkbox"/> isiZulu                      | <input type="checkbox"/> isiXhosa |
| <input type="checkbox"/> Sepedi    | <input type="checkbox"/> Sesotho    | <input type="checkbox"/> Setswana                     | <input type="checkbox"/> siSwati  |
| <input type="checkbox"/> Tshivenda | <input type="checkbox"/> Xitsonga   | <input type="checkbox"/> Other (please indicate)..... |                                   |

- 9. SPECIAL FEATURES / ADDITIONAL INFORMATION**
- Briefly outline any special features / additional information the CCMA needs to note:
- SEE "MG2" HERETO
- 10. Dispute about unilateral change to terms and conditions of employment (s64 (4))**
- I/we require that the employer party not implement unilaterally the proposed changes that led to this dispute for 30 days, or that it restore the terms and conditions of employment that applied before the change.
- Signed: ..... (Employee party referring the dispute)

- 11. OBJECTION TO CON-ARB PROCESS**
- I/we object to the arbitration commencing immediately after the conciliation in terms of Section 191(5A)(c).
- Signed:  .....

- If the employer objects to the arbitration commencing immediately after the conciliation the employer must submit a written notice in terms of CCMA Rule 17(2) at least 7 days prior to the scheduled date of the conciliation. The employer must attend the conciliation regardless of whether it makes this objection.
- 12. CONFIRMATION OF ABOVE DETAILS**
- Signature of party referring the dispute:  .....

Signed at Cape Town (place) on this 21 October 2014 (date)



LRA Form 7.11  
Section 135  
Labour Relations Act 1995  
Section 191(5A)

## PART B ADDITIONAL FORM FOR DISMISSAL DISPUTES ONLY



**DATE OF REFERRAL**

Dismissal disputes must be referred (i.e. received by the CCMA) within 30 days of dismissal or, if it is a later date, within 30 days of the employer making a final decision to dismiss or to uphold the dismissal. If more than 30 days has elapsed since the date of your dismissal, you are required to apply for condonation.

Tick the correct box:

Tick the correct box:

If necessary write the details on a separate page and attach to this form.

**1. COMMENCEMENT OF EMPLOYMENT**

When did you start working at the company? .....

**2. NOTICE OF DISMISSAL**

When were you dismissed (date)? .....

How were you informed of your dismissal?

In writing

Orally

Other (please describe) .....

**3. REASON FOR DISMISSAL**

Why were you dismissed?

Misconduct

Incapacity

Operational Requirements (Retrenchment)

Unknown

Constructive

Other (please describe) .....

**4. WAS THE DISMISSAL RELATED TO PROBATION**  YES  NO

**5. FAIRNESS/UNFAIRNESS OF DISMISSAL**

**a. Procedural Issues**

Was the dismissal procedurally unfair?  YES  NO

If yes, why?

**b. Substantive Issues**

Was the reason for the dismissal unfair?  YES  NO

If yes, why

*R.N.*  
*l*



ANNEXURE "MG1"

121

1. First Respondent is HCI MANAGERIAL SERVICES (PROPRIETARY) LIMITED  
P O BOX 5251, CAPE TOWN, 8000  
Tel: 021 481 7560  
Fax: 021 426 2777  
Cell:  
Email:

2. Second Respondent is HOSKEN CONSOLIDATED INVESTMENTS LIMITED  
Address: Suite 801, 76 Regent Road, Sea Point 8005  
Tel: (021) 481 7560  
Fax: (021) 426 2777  
Cell:  
Email:

3. The Second Respondent is SABIDO INVESTMENTS (PROPRIETARY) LIMITED  
Address: e tv Block B, Langkloof Studios, Danters Road, Gardens, Cape Town  
Tel: (021) 481 4416  
Fax: (021) 422 0012  
Cell:  
Email: info@sabido productions.co.za

4. Third Respondent is e.tv (PROPRIETARY) LIMITED  
Address: e tv Block B, Langkloof Studios, Danters Road, Gardens, Cape Town 8001  
Tel: 0831222  
Fax: (021) 481 4510  
Cell:  
Email: info@e.tv.co.za

Received ① & ②  
at 10:15 am on  
22/10/14 by  
A.F. PEREIRA.

③ + ④

Received at 9:30 am  
on 22/10/2014  
by Mark [Signature]

R.N.  
/

ANNEXURE "MG2"

122

BRIEF FACTUAL SUMMARY (THIS IS NOT INTENDED TO BE A CLOSED LIST OF ALL THE RELEVANT FACTS HEREIN.)

1. At all material times, the employee was employed by Second and Third Respondents.
2. First Respondent who is not the true or main employer of the employee, is unfairly purporting to discipline the applicant without the consent of the Third and Fourth Respondents who are the true employers of the applicant.
3. In addition the employee was unfairly suspended in that:
  - 3.1 There was no hearing.
  - 3.2 There were no reasons advanced as to why he should be suspended.
  - 3.3 He was not given an opportunity to explain why he should not be suspended.
  - 3.4 The employee was not advised as to why his continued presence at work, pending the outcome of any disciplinary proceedings, was not possible.
  - 3.5 The employee submits that there are no good reasons why he should not be permitted to continue at work.
  - 3.6 The consent of his true or main employers was not obtained prior to his purported unlawful suspension.
4. The employee has been physically barred access to his office by the First Respondent which had ordered the locks on his office door to be changed.
5. The employee contends that the conduct as set out above on the part of First Respondent is harmful to his dignity and reputation.

*M Golding*

*R.N.*  
*h*