

ACKNOWLEDGEMENT OF RECEIPT OF SUMMONS

I, the undersigned (full names), hereby acknowledge having received the summons dated to appear before an inspector in terms of section 258(2) read with section 260 of the Companies Act, Act 61 of 1973 in regard to an investigation into the affairs of the CorpCapital Group of Companies, which document was hand-delivered to me on 2003.

Signed :

ID number :

Countersigned by person delivering the summons :

ID number :

SUMMONS

DUCES TECUM

TO APPEAR BEFORE INSPECTORS APPOINTED BY THE MINISTER OF TRADE AND INDUSTRY IN TERMS OF SECTION 258(2) OF THE COMPANIES ACT, NO 61 OF 1973 TO INVESTIGATE THE AFFAIRS OF THE CORPCAPITAL GROUP OF COMPANIES

TO : NICOLAS JOHN FRANGOS

ID number: 410729 5069 008

at Global Equities (Pty) Ltd, ground floor, Building 18, Woodlands Office Park, Woodmead

- 1 TAKE NOTICE THAT the Minister of Trade and Industry has appointed **Adv J F Myburgh SC** and **Prof Keith Prinsloo** ("the inspectors") in terms of section 258(2) of the Companies Act, No 61 of 1973 ("the Companies Act") to investigate the affairs of the CorpCapital Group of Companies.
- 2 You are hereby summoned :
 - 2.1 In terms of section 260 of the Companies Act to present yourself in person to be interrogated by the inspectors at the following time and place :

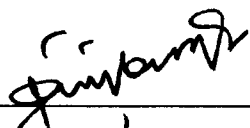
Date : 25 September 2003
Time : 08h00
Place : Eton Room, Balalaika Hotel, Maude Street, Sandton.
 - 2.2 To remain present at such interrogation until such time as the inspectors have completed their interrogation or until excused by the inspectors.
 - 2.3 To produce to the inspectors all documents relevant to the inspection of the CorpCapital Group of Companies which are in your possession or under your control :
 - 2.3.1 During business hours at any time prior to the abovementioned

date at the offices of Adv J F Myburgh SC at 2nd Floor, Rex Welsh House, c/o Maude Street and Gwen Lane, Sandown, Sandton; or

2.3.2 When you present yourself to be interrogated at the date, time and place specified above.

- 3 Your attention is drawn to the content of Sections 258 - 265 of the Companies Act, copies of which are attached hereto.
- 4 Take notice that any person examined under section 260 of the Companies Act may at his own cost employ an attorney with or without counsel, who shall be at liberty to put to him such questions as the inspectors may deem just for the purpose of enabling him to explain or qualify any answers given by him.
- 5 Take notice that any person duly summoned to appear before an inspector who without sufficient cause (a) fails to attend at the time and place specified in the summons or to remain in attendance until excused by the inspector from further attendance; or (b) refuses upon being required to do so by the inspector, to take an oath or to affirm as a witness or refuses or fails to produce any book or document which he has been required to produce or to answer fully and satisfactorily to the best of his knowledge and belief all questions put to him by the inspector concerning the affairs of the company or other body corporate whose affairs are being investigated, whether or not the answer is likely to incriminate him, shall be guilty of an offence : Provided that, save as otherwise provided in this subsection, in connection with the interrogation of any such person, or the production of any such book or document, the law relating to privilege, as applicable to a witness subpoenaed to give evidence or to produce any book or document before a court of law, shall apply.

Signed at Sandton this 16th day of September 2003.



Adv J F Myburgh SC
Inspector

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Investigation into Affairs
of Company (ss 257-262) / 258 Investigation of company's affairs in other
cases**

[a61y1973s258] **258 Investigation of company's affairs in other cases**

■ Cases

(1) When a company by special resolution resolves or the Court by order declares that the affairs of a company ought to be investigated, the Minister shall appoint one or more inspectors to investigate the affairs of such company and to report thereon, in such manner as he may direct.

(2) The Minister may appoint one or more inspectors to investigate the affairs of a company and to report thereon in such manner as he may direct, if it appears to him that there are circumstances suggesting-

- (a) that the business of the company is being conducted with intent to defraud its creditors or the creditors of any other person or otherwise for a fraudulent or an unlawful purpose or in a manner oppressive or unfairly prejudicial or unjust or inequitable to any part of its members or that it was formed for any fraudulent or unlawful purpose; or
- (b) that persons concerned with its formation or the management of its affairs have in connection therewith been guilty of any fraud, delict or other misconduct towards it or towards its members; or
- (c) that its members have not been given all the information with respect to its affairs they might reasonably expect.

(3) The provisions of section 257 (3) shall apply *mutatis mutandis* in respect of an investigation under this section.

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Investigation into Affairs
of Company (ss 257-262) / 259 Power of inspector to conduct investigation into
affairs of related companies**

[a61y1973s259] **259 Power of inspector to conduct investigation into affairs of related
companies**

(1) An inspector appointed to investigate the affairs of a company may, if he considers it necessary for the purpose, with the approval of the Minister, also investigate the affairs of any other company or other body corporate which is or has at any relevant time been the first-mentioned company's subsidiary or holding company or a subsidiary of its holding company and shall in that event report on the affairs of such other company or other body corporate so far as the results of his investigation thereof are in his opinion relevant to the

investigation of the affairs of the first-mentioned company.

(2) For the purposes of subsection (1) the inspector may, with the approval of the Minister, also investigate the affairs of any individual, trust, partnership, close corporation or body corporate in which the directors or members of the company contemplated in that subsection have or had any interest in or association with and shall also report on the affairs of such individual, trust, partnership, close corporation or body corporate so far as the results of his or her investigation are relevant to the investigation of the affairs of the said company.

[Sub-s. (2) added by s. 13 of Act 35 of 1998.]
[S. 259 substituted by s. 23 of Act 64 of 1977.]

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Investigation into Affairs
of Company (ss 257-262) / 260 Production of documents and evidence on
investigation**

[s.61y]1973:260] **260 Production of documents and evidence on investigation**

■ Cases

(1) Any director, officer or agent of a company or other body corporate whose affairs are being investigated by an inspector under this Act, shall at the request of such inspector produce to him all books and documents of or relating to the company or other body corporate, in his custody or under his control, and afford the inspector such assistance within his power in connection with the investigation as the inspector may require.

(2) An inspector may for the purpose of any investigation conducted by him-

- (a) summon any director, officer, employee, member or agent of the company or other body corporate to appear before him at a time and place specified in the summons, to be interrogated or to produce any book or document so specified;
- (b) administer an oath to or accept an affirmation from any person appearing before him in pursuance of a summons, and interrogate such person and require him to produce any such book or document;
- (c) retain for examination any book or document produced to him in pursuance of a summons for a period not exceeding two months or for such further period or periods as the Registrar may on good cause shown, permit.

(3) A summons for the attendance of any person before an inspector or for the production to him of any book or document may be in such form as the inspector may determine, shall be signed by the inspector, and shall be served in the same manner as a subpoena in a criminal case issued by a magistrate's court.

(4) Any person duly summoned to appear before an inspector who without sufficient

cause-

- (a) fails to attend at the time and place specified in the summons or to remain in attendance until excused by the inspector from further attendance; or
- (b) refuses upon being required to do so by the inspector, to take an oath or to affirm as a witness or refuses or fails to produce any book or document which he has been required to produce or to answer fully and satisfactorily to the best of his knowledge and belief all questions put to him by the inspector concerning the affairs of the company or other body corporate whose affairs are being investigated, whether or not the answer is likely to incriminate him,

shall be guilty of an offence: Provided that, save as otherwise provided in this subsection, in connection with the interrogation of any such person, or the production of any such book or document, the law relating to privilege, as applicable to a witness subpoenaed to give evidence or to produce any book or document before a court of law, shall apply.

(5) (a) If an inspector considers it necessary for the purposes of his investigation that a person whom he has no power to examine on oath should be so examined, he may apply to the Court for an order calling upon such person to appear before it for examination and the Court may thereupon if it thinks fit order that person to attend before it to be examined on oath on any matter relevant to the investigation, and on any such examination-

- (i) the inspector may take part therein either personally or by attorney or counsel;
- (ii) the Court may put such questions to the person examined as the Court thinks fit;
- (iii) the person examined shall answer all such questions as the Court may put or allow to be put to him.

(b) Notes of the examination shall be taken down in writing and shall be read over to or by and signed by the person examined, and may thereafter be used in evidence against him.

(c) The Court may allow the person examined such costs as in its discretion it may think fit, and any costs so allowed shall be paid as part of the costs of the investigation.

(6) In this section-

- (a) any reference to a director, officer, employee, member or agent of a company or other body corporate, includes a reference to a past director, officer, employee, member or agent of such company or other body corporate; and
- (b) any reference to an agent of a company or other body corporate, includes a reference to the bankers, attorneys and auditor of the company or other body corporate.

(7) Any person examined under this section may at his own cost employ an attorney with or without counsel, who shall be at liberty to put to him such questions as the inspector or the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him.

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Investigation into Affairs
of Company (ss 257-262) / 261 Inspector's report**

61 of 1973 s261 261 Inspector's report

(1) (a) An inspector may make interim reports to the Minister in regard to any investigation conducted by him, shall make such reports if the Minister so directs, and shall on the conclusion of the investigation make a final report to the Minister.

(b) Any such report shall be written or printed as the Minister may direct.

(2) The Minister shall direct the Registrar-

(a) to send a copy of any report made by an Inspector to the registered office of the company or other body corporate concerned;

(b) to furnish a copy of such report on request and on payment of any fee that may be prescribed, to any person who is a member of the company or of any other body corporate dealt with in the report or whose interests as a creditor of the company or any such other body corporate appear to the Minister to be affected;

(c) where the inspector is appointed under section 257, to furnish a copy of the report to the applicants concerned at their request; and

(d) where the inspector is appointed under section 258 in pursuance of an order of the Court, to furnish a copy of the report to the Court,

and may direct the Registrar to cause any such report to be printed and published.

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Investigation into Affairs
of Company (ss 257-262) / 262 Proceedings on inspector's report**

61 of 1973 s262 262 Proceedings on inspector's report

■ Cases

(1) If in the case of any company or other body corporate liable to be wound up under this Act, it appears to the Minister from any such report that it is expedient so to do by reason of any circumstance referred to in section 258 (2) (a) or (b), the Minister may, unless the company or other body corporate is already being wound up by the Court, make application

for it to be so wound up if the Court thinks it just and equitable that it be wound up, or an application for an order such as is referred to in section 252 or both an application for an order that it be so wound up and an application for an order such as is referred to in the said section, and the Court may in that event make such order as it may consider appropriate.

(2) (a) If from any such report it appears to the Minister that proceedings ought in the public interest to be brought by any company or other body corporate dealt with by the report for the recovery of damages in respect of any fraud, delict or other misconduct in connection with the promotion or formation of that company or other body corporate or the management of its affairs, or for the recovery of any property of the company or other body corporate which has been misapplied or wrongfully retained, the Minister may bring proceedings for that purpose in the name of the company or other body corporate.

(b) The Minister shall indemnify the company or other body corporate against any costs or expenses incurred by it in or in connection with any proceedings brought by virtue of paragraph (a).

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Matters incidental to
Investigations (ss 263-265) / 263 Expenses of and incidental to investigation of
company's affairs**

Jan 1973:263:263 Expenses of and incidental to investigation of company's affairs

Cases

(1) The Minister shall in the first instance defray the expenses of and incidental to an investigation under section 257 or 258, but the following persons shall, to the extent stated, be liable to repay the Minister:

- (a) any person convicted of an offence disclosed by the investigation or ordered to pay damages or to restore any property in proceedings instituted under section 262 (2) (a), shall be liable for such amount, if any, as may be determined by the Court when convicting such person or ordering the payment of such damages or the restoration of such property;
- (b) in any case where no proceedings are instituted in respect of any such offence and no order for the payment of any such damages or the restoration of any such property is made-
 - (i) any body corporate whose affairs were the subject of the investigation; and
 - (ii) in the case of an investigation under section 257, the applicants concerned, shall be liable for such an amount as the Minister may in each case determine; and
- (c) any body corporate in whose name proceedings are instituted under section

262 (2) (a), shall be liable for the balance, if any, of such expenditure not recovered under paragraph (a), but not for an amount exceeding the amount or value of any property recovered in any such proceedings.

(2) The amount determined under subsection (1) (a) may be the full amount of the expenditure in question or such lesser amount or proportion thereof as the Court considers just.

(3) The provisions of subsection (1) (b) (i) shall not apply in any case where it appears from the relevant report that there was no substance in the allegations which gave rise to the investigation to which the report relates.

(4) Any amount for which a body corporate may be liable by virtue of the provisions of subsection (1) shall be a first charge on the amount or value of any property recovered in proceedings referred to in subsection (1) (c).

(5) An inspector may, if he deems fit, and shall, if the Minister so directs, include in his report on any investigation a recommendation as to the amount, if any, which in his opinion should under subsection (1) (b) be ordered to be paid by any body corporate or the applicants referred to therein.

(6) For the purposes of this section any costs or expenses incurred by the Minister in or in connection with proceedings instituted by him under section 262 (2) (a), including any amount which may become payable by him in terms of paragraph (b) of that subsection, shall be regarded as part of the expenditure incurred by him in respect of the investigation giving rise to such proceedings.

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Matters Incidental to
Investigations (ss 263-265) / 264 Saving in respect of attorneys and bankers**
[261] (1) 1973/264. 264 Saving in respect of attorneys and bankers

Nothing in this Act shall be construed as requiring the disclosure to the Minister or to an inspector-

- (a) by an attorney of any privileged communication made to him in his capacity as such, except as respects the name and address of his client; or
- (b) by a banker of any information as to the affairs of any of his customers except-
 - (i) a company or its nominee and any other body corporate whose affairs are being investigated; and
 - (ii) any person having an interest in shares held in the name of the banker's nominee.

**ACTS / COMMERCIAL LAW / COMPANIES / COMPANIES ACT 61 OF 1973 /
CHAPTER IX REMEDIES OF MEMBERS (ss 252-268) / Matters Incidental to
Investigations (ss 263-265) / 265 Report of inspectors to be evidence**
[Amly1973s265] **265 Report of inspectors to be evidence**

A copy of the report of any inspector appointed under this Act shall be admissible in any legal proceedings as evidence of the opinion of the inspector in relation to any matter contained in the report.