

Global Witness

Lloyds Chambers
1 Portsoken Street
London
E1 8BT

22 April 2016

Dear Sirs

I refer to your letter dated 8 April 2016.

I will reply briefly according to the headings in your list of questions.

1. Related Party Transactions: Maputo

The facts outlined by you are not accurate. This did not constitute a "*related party transaction*". The seller of the property to AMI was a company controlled by trusts, the beneficiaries of which included relatives of Mr Edmonds and Mr Groves; Mr Edmonds and Mr Groves (and their immediate families) are not themselves beneficiaries of these trusts and as such had no notifiable interests in the transaction.

As I recall the "*related party*" situation was discussed at the time of the transaction and again in 2010 when the AMI accounts were being prepared. Subsequently, after Dr Solanki left the company in July 2010 (having been suspended pending an investigation into potential financial and administrative irregularities at the company's Harare and Johannesburg medical facilities) he complained about certain actions by Mr Edmonds and Mr Groves which were investigated and dismissed by lawyers appointed by the independent director (Baker & McKenzie). Later, Peter Botha (then the CEO of AMI) raised these issues again with me and confirmed that both he personally and AMI were satisfied that there was no substance whatsoever in these allegations. Furthermore at the same time, in July 2013, Mr Botha confirmed that the Maputo property was the primary realisable asset of the AMI group and that AMI had received an offer from an independent 3rd party for the sale and purchase of the property for US\$6.8m, which he had decided not to pursue. He explained that the price mentioned was below market value due to AMI's financial position being known in the Maputo market and that AMI's bank had previously valued the property in excess of US\$9m.

There are two additional points I should mention:

- a) I was informed that Dr Solanki had obtained a valuation of the property as at August 2009 of US\$5.5 million; and
- b) the 10 million shares issued to Ely Place Nominees Limited (as nominee for Penrith) were never sold or transferred as Penrith had agreed to retain the shares until the hospital achieved profitability.

2. Related Party Transactions: VIP Healthcare

It is completely untrue that 1/6th of VIP Healthcare and/or 1/6th of the consideration shares was assigned to Mr Edmonds and Mr Groves. The background to this, as I recall, was that Dr Solanki informed Mr Edmonds and Mr Groves that he had an excellent management team within his existing business and Mr Edmonds and Mr Groves were keen that they should be incentivised. It was therefore agreed that Dr Solanki and/or his trust should allow 1/6th of consideration shares to be made available for eventual distribution amongst his management team, dependent on future performance. Ely Place Nominees Limited never received any instruction from management to effect any transfer to such management team. I did not believe then that this transaction was fraudulent in any way and that remains my view to this day.

3. Related Party Transactions: Falcon Jet

Salans did assist in the purchase of the airplane by AMI and I am aware that there was a contemporaneous valuation (at the purchase price) and that the transaction was approved by the board. I have no reason to believe that this constituted a "*related party transaction*".

As noted above, after Dr Solanki left the company in July 2010 and complained about certain actions by Mr Edmonds and Mr Groves, these included the purchase of the airplane. As noted above, these claims were investigated and dismissed by lawyers appointed by the independent director (Baker & McKenzie). Later, Peter Botha (then the CEO of AMI) raised these issues again with me and confirmed that both he personally and AMI were satisfied that there was no substance whatsoever in these allegations.

4. Failure to hand over shares and documents

You state in your letter that you are a group that investigates corruption in the natural resources industries, so I do find it ridiculous that all your specific questions relate to AMI. It is particularly concerning, frustrating and annoying all your questions are based on very old allegations, raised and answered (satisfactorily) emanating from Dr Solanki, the man ultimately responsible for the demise of AMI and my own personal investment in it.

You should be aware that Dr Solanki was suspended by the board of AMI in July 2010, pending a forensic investigation into his suspected defalcations and criminal behaviour in relationship to his stewardship of AMI; Dr Solanki resigned from the board a few days after the suspension. The subsequent forensic investigation determined that Dr Solanki had diverted substantial amounts of company funds for his own benefit.

The suspicion regarding Dr Solanki's behaviour had started a few months earlier and when he asked for the shares in May 2010 there was a real apprehension by Mr Edmonds and Mr Groves that his intention was to sell his shares quickly and resign, before his misdeeds came to light. Accordingly the other directors of AMI were anxious that Ely Place Nominees Limited should not transfer any shares to Dr Solanki and/or associates and my reply, following instruction from the other directors, was intended to prevent this from happening. As far as I recall correspondence went back and forth but in the end Ely Place Nominees Limited did not transfer any shares at all. The reason Ely Place Nominees Limited was holding the shares in the first instance was to cover the lock-in period agreed to by Dr Solanki. The board also wished to retain the shares, if possible, against any breach of warranty or other claim against Dr Solanki.

I am extremely surprised that you should even think it worth mentioning any dispute with Kemp Little regarding the handover of documents. I was certainly annoyed at the time with Peter Botha as Salans had given AMI time to pay their bills and there was no suggestion by Mr Botha, with whom I thought I had a good relationship that he wanted to change solicitors. That annoyance was compounded by Kemp Little becoming unreasonable and very aggressive about the amount of documents to be delivered to them. Under the SRA Code of Conduct there are limitations on the type of documents which need to be handed over. Salans' internal compliance department determined the documents which needed to be delivered to Kemp Little and when Kemp Little continued to be dissatisfied, Salans handed over further documents which Peter Botha told me - at our meeting in July 2013 - had satisfied AMI's wishes.

It may be informative for you to be aware that Mr Botha came to London in July 2013, to seek financial assistance for AMI from Mr Edmonds and Mr Groves in their personal capacities, which led to them lending AMI over \$100,000, as a bridging loan.

5. Share sales by Ely Place Nominees

Ely Place Nominees Limited has been in existence since 1971 and has provided nominee services to countless clients. I do not recognise your figure of £115 million and obviously have no idea how you have calculated this amount; certainly the figure seems absurdly high. Of course, I appreciate that we are covering quite an extensive period.

On rare occasions the beneficiaries of sales of may have been Mr Edmonds and/or Mr Groves, for example in relation to the sale of shares in the CAMEC takeover by ENRC and in relation to African Platinum shares during the period from May 2005 when they ceased to be directors of that company. I have no intention of discussing any other clients of Ely Place Nominees Limited.

I entirely refute your insinuation that any sales by Ely Place Nominees Limited were made in reliance on inside information.

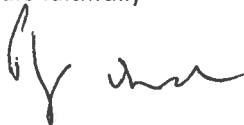
6. Liberia Bribery

I have no knowledge of any bribes being paid in Liberia (or anywhere else for that matter) and doubt the veracity of this very broad and unsubstantiated allegation.

In April 2010 Salans was holding funds for Sable from its recent placing and was instructed to send US\$500,000 to Sable's Liberian lawyers. Naturally Salans acted in accordance with its client's instructions and had no problems in sending monies to a lawyer's client account. Salans did not know how the funds were to be disbursed from the Liberian lawyer's client account nor did Salans have any reason to know.

In the interests of balance I request that in the event you proceed to publish your report that you also publish the entirety of this response.

Yours faithfully



Philip Enoch