

Your ref:

Our ref:

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Windhoek, Tuesday, 18 February 2020

BY HAND

URGENT

**THE ACTING MINISTER
MINISTRY OF FISHERIES AND MARINE RESOURCES
WINDHOEK
NAMIBIA**

and

**THE MINISTER
MINISTRY OF PUBLIC ENTERPRISES
WINDHOEK
NAMIBIA**

Dear Sirs

Re: DIRECTORS OF THE NATIONAL FISHING CORPORATION OF NAMIBIA (FISHCOR)

We are acting on the instructions of a number of employees of the National Fishing Corporation of Namibia (Fishcor) and its subsidiary, Seaflower Lobster Corporation Limited and a joint venture in which Fishcor has substantial interest, namely Seaflower Whitefish Corporation Limited. Our instructions are that our clients will, for the time being, remain anonymous, due to the obvious fear of reprisals.

As a result of the revelations of corruption in the media and the subsequent arrest of a number of persons, including the Chairperson of the Board of Directors of Fishcor and its Chief Executive Officer on serious allegations of corruption, our clients instruct that it is prudent that the Minister of Fisheries & Marine Resources and the Minister of Public Enterprises urgently and immediately take action against the relevant persons, particularly the Directors serving of the Board of Fishcor and its subsidiaries.

Directors of a company have a fiduciary duty towards the company and its shareholders, which requires that the directors will act in the best interests of the company and with the necessary care and skill. With the revelations in the media of fraud and corruption on a grand scale, it is obvious that the financial position of the Fishcor and its subsidiaries were misrepresented to the Minister of Fisheries & Marine Resources and to the National Assembly, which in terms of section 10 of the National Fishing Corporation of Namibia Act, Act 28 of 1991, must be submitted to the Minister and the National Assembly.

The misrepresentation must have been fraudulent, and if the Directors could not detect the misrepresentation in the regular financial statements and management accounts, it puts in question



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the Directors' ability to serve on the Board of such a large corporation with so many employees, whose families depend on a regular income for their dignified sustenance.

The financial position of Fishcor was of such precarious situation that there was a risk that the employees would not have been paid in January 2020, despite the reported earnings increasing by 21% from N\$393,657,919.00 in 2017 to N\$477,696,841.00 in 2018, as reported in the Fishcor Group's financial statements for the year ending 31 September 2018.

No doubt, there have been serious lapses of the duties and functions of the Directors and of Management of Fishcor and its subsidiaries, as a result of that, our clients demand the following:

- (a) The immediate removal of the current Directors, and the appointment of persons with similar powers and functions as curators until such time that the due process of the recruitment of regular Directors had been completed as required by the Public Enterprises Governance Act, Act 1 of 2019;
- (b) The immediate lodging of criminal complaints with the Namibian Police with the view of investigating whether or not the Directors maybe criminally prosecuted for possible failures of their statutory duties as Directors;
- (c) The urgent and immediate review of the past financial statements including the management accounts;
- (d) Urgent and immediate review of the minutes of all the meetings of the Board of Directors and of Management;
- (e) The immediate review of all the agreements between Fishcor and any other entity or person, including the agreements to catch and utilise the fish quotas of Fishcor, operational agreements, and consultancy agreements;
- (f) The immediate institution of legal action against the persons and entities that may have misappropriated moneys of Fishcor and or of its subsidiaries including but not limited to launching applications for the liquidation and sequestration of such entities or persons, with the view of recovery the misappropriated monies and or assets of Fishcor and its subsidiaries; and
- (g) All employees of Fishcor and its subsidiaries be informed in writing of measures put in place to ensure that the situation has been mitigated and future occurrences of such wanton corruption and fraud is not repeated again.

We trust that our clients' demands will receive the necessary attention and that action will be taken **Friday 13 March 2020** from date of this letter, failing which our clients will take further legal action, including launching an application in the High Court of Namibia against the Minister of Fisheries and Minister of Public Enterprises to take the necessary actions against the Directors of the Board.

Yours faithfully


NORMAN JOMBE
TJOMBE-ELAGO INC.