



MEDIA STATEMENT

OBP RESPONDS TO MALICIOUS AND MISLEADING MEDIA REPORTS MADE AGAINST ITSELF, THE BOARD AND CEO.

Onderstepoort, 22 January 2020

For the past weeks, OBP has observed with grave concern, malicious and mischievous statements made in the press against itself, the Board and the CEO. The OBP refutes these unsubstantiated allegations levelled against its CEO and the Board. We hold a view that this is a deliberate smear campaign aimed at derailing and distracting us on our renewed commitment to turn around OBP.

It must be stated that OBP respects the freedom of the press, to an extent that it objectively informs the public fairly, accurately and without prejudice. In recommitting to this constitutional obligation, OBP Management and leadership saw it necessary to respond to media reports whose character and posture were evident of malice on the organization's reputation.

It is in this spirit that the OBP wishes to set the record straight on what is clearly a smear campaign initiated by aggrieved individuals through certain media platforms. Such a campaign is nothing but an orchestrated distraction and mischief which seeks to deter the Board and Management on turning around OBP.

OBP's current focus is on turning around the organisation that has suffered from poor performance, corruption, mismanagement and loss of market shares.

OBP has governance structures that appreciate clean and corporate governance. For this reason, it will not be drawn into debating any issues through the media. Anyone who has concerns including allegations of misconduct or malfeasance by its Board, CEO or any of its staff member is encouraged to report such to the law enforcement agencies.

We are resolute in pursuing the requisite processes which include, *inter alia*, investigating the findings of the Auditor General (AG) and consequence management. In his 2018-2019 external audit report, the AG uncovered serious mismanagement, irregular expenditure and serious supply chain irregularities that took place over a 4-year period, before the appointment of the new CEO. These irregularities were linked to the facility improvement project funded by National Treasury to the tune of R492m in 2014 and include millions of Rand which have been unaccounted for. Issues of mismanagement have led to disciplinary processes during which some executives and staff members resorted to resign from the company.

As recommended by the same report by the AG, a forensic audit was initiated and the preliminary report has confirmed the findings from the AG. It is clear that the ongoing smear campaign is desperately aimed at preventing or derailing the investigation process.

While addressing the above issues, OBP has embarked on a recovery journey to address, among other things, its major challenges of product unavailability, regaining lost market shares, development of

new products adapted to the market needs. We are receiving remarkable support from all key stakeholders, especially in the commercial and small-scale emerging and communal livestock sectors, including our employees, the board and our shareholder, the Ministry of Agriculture, Land Reform and Rural Development. Improvements being already actioned have started showing positive changes.

In conclusion, we wish to reiterate that we will not be distracted in our focus by these malicious allegations made by faceless individuals who clearly have demonstrated their intentions to harm OBP's reputation and that of its leadership team.

Ends

Issued by the Office of the Chief Executive Officer