

16 June 2022

Dear All,

My name is Ahsan Khan, Founder TAG. I am writing to you today in order to bring certain serious matters that absolutely warrant your attention and your action, in relation to TAG, its US Delaware-based holding company TAG Fintech Inc., and its Pakistan subsidiary TAG Innovation (Private) Limited (OPCO).

I must confess that it is quite unfortunate that this is the first time that I am in direct communication with you, as Mr. Talal Ahmad Gondal has, to-date, largely handled communications with you. However, as you are our Investors, I have decided to share all updates with you myself, as TAG is facing a highly serious and damaging situation. Please find attached for your perusal the details in order for you to verify my designation as Founder (**Attachment # 1**).

It is with great concern and alarm that I now inform you that the operations of TAG's Fintech Inc.'s Pakistan subsidiary, TAG Innovation (Private) Limited have been suspended by the State Bank of Pakistan (SBP) as its Chief Executive Officer (CEO) Talal Ahmad Gondal, who has also been the CEO of TAG Fintech Inc., is under formal investigation since 11 April 2022 for fraud and forgery/tampering of official documents submitted to SBP (**SBP Show-Cause Notice dated 11 April 2022 is attached as Attachment # 2**). The SBP, as the Pakistan central bank, is also the regulator which issues the licenses for Electronic Money Institutions (EMI) and administers the EMI regime in Pakistan. TAG Innovation (Private) Limited was issued the Approval for Pilot Operations by the SBP on 12 August 2021.

I had come to know of Talal Ahmad Gondal's unscrupulous and unprofessional conduct while running TAG since 31st March 2022 (and had suspicions and concerns about his conduct long before then), and I resigned from Advisor/COO position of TAG Pakistan as of 1 April, 2022 when I came to know about Talal's case. At present, I am facing illegal actions by the other Founders, Talal Ahmad Gondal and Alexander Lukianchuk, by which they have attempted to oust me as a Founder and stockholder in TAG Fintech Inc. on wholly fabricated grounds. It appears this action has been undertaken by both of them acting in concert in order to deflect blame and liability to me alone, which is quite an unfortunate turn of events as I have consistently acted as the sane, prudent and cautious Founder since the inception of TAG. It is therefore imperative that our Investors, who have invested valuable sums into TAG for the purpose of a bonafide enterprise and return on their investment, are made aware of the alarming state of affairs at present.

Therefore, please allow me to explain the circumstances which have brought us to this juncture. In particular, in recent months, since the end of February, 2022, the following things have occurred:

1. On 23 February 2022, Talal Ahmad Gondal acted fraudulently and committed forgery of critical investor documents i.e., forging a funding commitment letter from TTB Partners, an investment and advisory firm based in Hong Kong, and thereafter these documents were sent to the SBP. Soon after, the SBP investigated and inquired about the purported letter directly from TTB Partners and received a complete denial in respect thereof. Mr. Jonathan



Bond and Mr. Christopher Scoular, TTB Partners, are CC/copied in this email to confirm this very fact **(the TTB Partners letter forged by Talal Ahmad Gondal is attached as Attachment # 3)**. Mr. Ali Farid of K-Trade Securities Limited, a highly respected entrepreneur and advisor based in Karachi, is also aware of this illegality on the part of Talal Ahmad Gondal as he has also faced victimization since Talal Ahmad Gondal has brazenly attempted to shift his singular liability to others, including Mr. Ali Farid. In fact, Mr. Ali Farid has sent a letter to SBP to apprise them of the true facts of the situation **(Attachment # 4)**.

2. On 1 March 2022, Talal Ahmad Gondal resigned as CEO of TAG Innovation (Private) Limited and thereafter signed and submitted a confessional statement admitting his acts of fraud and forgery **(Attachment # 5)**, while he was acting as CEO and sole Director of TAG Fintech Inc. and as CEO and Director of TAG Innovation (Private) Limited. The relevant corporate filings were undertaken in Pakistan effecting Talal Ahmad Gondal's resignation as CEO and Director of the Pakistan OPCO. However, Talal Ahmad Gondal remains a 1% shareholder in TAG Innovation (Private) Limited.
3. On 1 March 2022 and 2 March 2022, Talal Ahmad Gondal withdrew Investor money illegally in excess of \$599,000 from the bank account of TAG Fintech Inc. and transferred the same to his personal accounts. He was able to do this because he is the sole operator of this account. It is an alarming state of affairs indeed that, to date, Talal Ahmad Gondal took out \$1,000,000+ in the aggregate **(TAG Fintech Inc. official company account statements showing these transactions are attached as Attachment # 6)**. His conduct in Pakistan is no less different – \$150,000 was personally withdrawn by him from the OPCO, TAG Innovation Private Limited without bonafide purpose or reason **(TAG Innovation (Private) Limited official company account statements showing these transactions are attached as Attachment # 7)**.
4. Following on from this, Talal Ahmad Gondal later back-tracked from his confession and resignation as CEO of both TAG entities, as well as his written agreement as per the Agreement signed amongst himself, Fatima Gobi Ventures, myself, Alexander Lukianchuk, and the governing officer of TAG Innovation (Private) Limited, to remove himself from the affairs of TAG and transfer 10% of his stockholding in TAG Fintech Inc. He further started threatening myself as a Founder and stockholder of TAG Fintech Inc., of severe negative consequences if information of his wrongdoing is shared with investors **(the referenced Agreement is attached as Attachment # 8)**.
5. On 11 April 2022, after having confirmed Talal Ahmad Gondal's illegal act of fraud and forgery, the State Bank of Pakistan initiated the enforcement process and issued an official Show-Cause Notice to Talal Ahmad Gondal as CEO, TAG Fintech Inc. and as CEO, TAG Innovation (Private) Limited. The SBP further ordered suspension of the EMI pilot operations in Pakistan and only allowed servicing of existing customers. Suffice to say that this is not an empty threat and there is serious likelihood that the accounts of TAG Pakistan may be frozen and attached by the SBP, fines imposed, and process for liquidation / winding up of TAG Innovation (Private) Limited may be commenced in the High Court.



6. The newly appointed CEO of TAG Innovation Private Limited issued TAG Innovation (Private) Limited's official response to the SBP Show Cause Notice stating, in no uncertain terms, that Talal Ahmad Gondal, as CEO of TAG Fintech Inc. and TAG Innovation (Private) Limited, was solely responsible for such illegalities (**TAG Innovation (Private) Limited's official response is attached as Attachment # 9**).

It follows from the above that regulatory enforcement proceedings are underway and TAG Fintech Inc. and TAG Innovation (Pvt.) Limited, along with its CEO, Talal Ahmad Gondal are likely to be blacklisted/banned while the Pakistan-based TAG entity may be fined, penalized and even forcefully wound up (i.e., liquidated). The EMI pilot operations approval is already suspended as per order of the SBP. Moreover, and perhaps most importantly, Talal Ahmad Gondal has been withdrawing funds illegally from the company accounts of TAG Fintech Inc as he is the sole operator of the bank accounts and the CEO/ Director. It is incredibly unfortunate that, rather than the Investor sums being sent to TAG Innovation (Private) Limited to be used for bonafide business purposes (as per the specific wording of the SAFEs entered into by and between TAG Fintech Inc. and the Investors), in order to achieve a future priced round for TAG, these sums have been utilized by Talal Ahmad Gondal for his own benefit and leisure. TAG Fintech Inc. is essentially, and unfortunately, being used as a personal plaything by Talal Ahmad Gondal, to the immense detriment and loss of its stockholders and Investors. He has also now placed his brother in charge as Director representing TAG Fintech Inc., on the Board of TAG Innovation (Private) Limited, further solidifying his complete control over both TAG entities to our collective detriment. My questions in this respect are simple:

1. How are these personal withdrawals of huge amounts by Talal Ahmad Gondal from bank accounts of TAG Fintech Inc. and TAG Innovation (Private) Limited, helpful to our cause and to the original objectives of TAG?
2. What conceivable purpose does Talal Ahmad Gondal have for making these withdrawals?
3. Considering that TAG's operations are focused on running the EMI operations in Pakistan, through its Pakistan-based subsidiary, do these acts by Talal Ahmad Gondal not constitute embezzlement, misuse of authority, breach of fiduciary duty, and misfeasance?

As briefly mentioned above, Talal Ahmad Gondal and Alexander Lukianchuk have together conspired in an attempt to oust me as stockholder in TAG Fintech Inc. and illegally acted to cancel my stockholding on wholly fabricated grounds, mainly that of misappropriating funds, which, as I have clearly stated above with supporting evidence, are entirely the acts and habits of Talal Ahmad Gondal. I have delivered my response to them and have reserved my rights for future action. However, it is imperative that the Investors are also made aware of this unfortunate circumstance.

It further appears that both Talal Ahmad Gondal and Alexander Lukianchuk have amongst themselves made structural changes at TAG Fintech Inc. without consultation and agreement of the Investors; Alexander is purportedly the new CEO of TAG Fintech Inc and has acted to illegally oust me as Founder and stockholder of TAG Fintech Inc. I would stress that these untoward changes will add to the incredibly damaging and fatal situation that TAG is facing. Suffice to say



that his appointment as CEO is further damaging as the required Fit and Proper Test approval / concurrence and clearance from the State Bank of Pakistan for sponsors is wholly absent and lacking, which is a clear violation of the rules and regulations of SBP and invites further liability. These acts have again endangered the TAG entities and exposed them to regulator action and enforcement, on top of the already existing enforcement processes currently ongoing. Furthermore, Alexander Lukianchuk, as a 10 % stockholder and PVH Polymath Venture Holdings Ltd., as a 5 % stockholder of 5%, of TAG Fintech Inc., have also not been officially disclosed as stockholders to the regulators in Pakistan by Talal, which again is a case of concealment of facts and an offence under Pakistani law.

I strongly urge a meeting on these issues. If there is anything you require, I am willing to cooperate with you in this regard.

Sincerely,



Ahsan Khan

Founder, TAG

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