

August 7, 2014

**BY EMAIL**

Attn: Eric Wood  
Regiments Capital (Pty) Ltd  
91 Central St  
Johannesburg 2198, South Africa

Dear Mr. Wood;

In light of recent attention related to Niven Pillay and Regiments Capital and its affiliated and associated entities (collectively, "Regiments") related to Mr. Pillay's relationship with Brian Hlongwa, we provide this letter to reconfirm your statements regarding the matter and to provide additional terms with regard to Regiments' relationships with McKinsey Incorporated and affiliated entities (collectively, "McKinsey").

In an email to Norbert Dorr and Vikas Sagar dated July 28, 2014, you stated the following and hereby reconfirm that to the best of your knowledge:

- Niven Pillay and Brian Hlongwa are personal friends, and this friendship predates the establishment of Regiments Group (Regiments has been going for 10 years). This friendship was established when Mr. Pillay was non-executive chairman of City Power and Mr. Hlongwa was an MMC for the City of Johannesburg.
- Messrs. Pillay and Hlongwa have together invested in a number of residential property developments (including a Hyde Park residential development, and the Singaraja-Benmore development). As we understand some of these investments made money (Hyde Park), but others lost money (Singaraja).
- Any monies paid by Mr. Pillay to Mr. Hlongwa relate solely to these investments and are entirely unrelated to Regiments Group (including Regiments Healthcare).
- Regiments Healthcare was established by Regiments Capital to make proprietary investments in, and perform advisory work for, the South African healthcare sector, both public and private. At the time mentioned in the articles, the CEO of Regiments Healthcare was Dr. Shane Dorfman (a medical doctor with an MBA).
- Regiments Healthcare was appointed by 3P Consulting to examine the feasibility and economic viability of the Pholateng PPP's in the Gauteng Public Hospitals, a small piece of consulting for which Regiments Healthcare was paid R3.2m. A portion of the required work was sub-contracted to KPMG by Regiments Healthcare. In consideration of this consulting work, Regiments submitted a detailed assessment of the Pholateng PPP's to 3P Consulting, and a copy of this detailed report has been submitted to the Special

Investigative Unit, which you indicate reflects significant work done to more than adequately justify the relatively small fee charged by Regiments Healthcare.

- Regiments Healthcare is a respected healthcare advisor and healthcare provider (current CEO is Dr. Izak Fourie), and it has a controlling interest in the Risk Monitor Group (SA's leading group of healthcare actuaries), as well as a controlling interest in M-Care (a private group of Sub-acute hospitals).
- The Regiments Capital group has never been party to any payments to Mr. Hlongwa at any time.

Further, we respectfully request that you review and agree to the below terms associated with any agreement and/or relationship between McKinsey and Regiments:

1) Regiments, including its officers, employees, affiliates, agents, subcontractor and third parties, agrees and commits to abide by all applicable laws and regulations, including, but not limited to, the Prevention and Combating of Corrupt Activities Act, the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act, and represents that it has implemented and maintains within its organization appropriate policies and internal controls that prohibit any actions in violation of any such laws by it and its officers, employees, affiliates, agents, subcontractors and third parties. Regiments agrees to cooperate with any review by McKinsey (whether instigated by McKinsey or as part of a review by an investigatory authority or the Client) of an associated concern and shall promptly provide relevant records and information to support McKinsey's review.

2) Mr. Pillay shall be removed with immediate effect from the Executive Committee described in the Consortium Agreement between Regiments and McKinsey dated June 23, 2014, related to and covering the performance of services for Transnet SOC Ltd ("Transnet") with regard to four RFPs, and replaced with a mutually agreed upon substitute Executive Committee member by August 11, 2014.

3) Mr. Pillay shall not perform services related to any agreement and/or relationship with McKinsey, including, but not limited to, the above mentioned Consortium Agreement, nor shall he represent or act on behalf of McKinsey or any McKinsey-Regiments Consortium. This restriction shall be in effect until such time that Mr. Pillay is either cleared by a final court of law of any wrongdoing related to Mr. Hlongwa or the investigation and/or inquiry is deemed closed by the Special Investigating Unit, and McKinsey has agreed that Mr. Pillay may be allowed to perform services related to McKinsey.

4) If determined by Transnet that Regiments must be removed from the Consortium and/or related services, Regiments agrees that it and McKinsey will terminate the Consortium without McKinsey having further obligation, legal or otherwise, to Regiments.

5) Regiments agrees to indemnify and hold McKinsey harmless from and against all loss, liability, damage, cost or expense (including reasonable attorney fees and any related costs of McKinsey's professional time, and Losses asserted by Clients or third parties ("Losses")) relating to Regiments' or Mr. Pillay's improper activities or activities that have adversely affected the good name and reputation of McKinsey.

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We hope the above provisions will allow us to continue our relationship with Regiments and provide services to our Clients. If you have further questions, please contact our Associate General Counsel Melissa Milstead at 202-662-3153 or [Melissa\\_Milstead@McKinsey.com](mailto:Melissa_Milstead@McKinsey.com).

Regards,



Virginia Molino  
General Counsel

Agreed to this \_\_\_ day of August, 2014  
Regiments Capital (Pty) Ltd  
By:

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By: Eric Wood  
Title: Executive Director