

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1269**

**DATE OF PUBLICATION: 26 APRIL 2018**

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| **1269. Ms V van Dyk (DA) to ask the Minister of Public Enterprises:**(1) What are the details of the relevant knowledge of the industry that each of the board members and management assigned to Alexcor possess;(2) why has the Richtersveld community not been educated of their rights and duties, in view of the fact that Alexcor supported the application for a court order to allow his department to appoint members to the board on behalf of the Richtersveld community who is a 49% shareholder;(3) how does the fact that the Richtersveld community members are unable to choose their own representatives on the board impact on their share of the income that is derived from the sale of diamonds? NW1369E |

**REPLY:**

The response is based on information received from Alexkor SOC Limited.

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|  | (1) | The Alexkor Board of Directors comprises of business and professional people. They have expertise *inter alia* in legal and property, public policy, electronic engineering, building and construction, strategic leadership and corporate governance. Senior Management also has mining and financial expertise. |
|  |  | **TYPE:** | **NAME:** | **GENDER:** | **RACE:** | **QUALIFICATIONS:** | **SKILLS:**  | **EXPE-RIENCE IN THE MINING SECTOR:** |
|  |  | BOARD OF DIRECTORS | Ms Hantsi Bhetilda Matseke(Chairperson) | Female | African | Diploma in Personal Computing, Diploma in Software Supporting, Diploma in Marketing and New Managers Program | **Leadership, Business Management and development**Ms Matseke is the Chief Executive Officer of the Maono Construction and Property Development firm. She has overeight years’ experience in the industry | NO |
|  |  | Mr Tshediso John Matona | Male  | African | Master of Arts (Development Economics), Bachelor of Social Science, Honours and Bachelor of Social Science | **Economics, Public Policy and Leadership**Mr Matona, previously Chief Executive of Eskom. Previously he was the Director-General of the Department of Public Enterprises.An economist by training and anexperienced public administrator. He has 21 years of senior management experience and skillsin the fields of international trade and diplomacy, export promotion, investment promotion, industrial development, enterprise development, economic regulation and corporate governance. | YES |
|  |  | **TYPE:** | **NAME:** | **GENDER:** | **RACE:** | **QUALIFICATIONS:** | **SKILLS:**  | **EXPERIENCE IN THE MINING SECTOR:** |
|  |  | EXECUTIVE BOARD MEMBERS | Mr Lemogang Pitsoe(CEO) | Male | African  | Master’s in Business Leadership (MBL), B-Tech Degree in Mining Engineering, Diploma in Investment Management | Mr Pitsoe has extensive exposure and experience in wide variety of mining projects, operations, aspects, ores and minerals inclusive of chrome, iron ore, copper, coal, diamonds, platinum and tanzanite | YES |
|  |  | Ms Adila Chowan(CFO)  | Female | Indian | Chartered Accountant (SA)Bachelor of Accounting, Post-Graduate Diploma in Accounting (CTA) | Ms Chowan has financial management experience in both public and private companies. She was previously a deputy director general at the Department of Public Works. She has held various positions at Imperial Group, CEF,RMB, Ernest & Young, Deloitte & Touché, | YES |
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|  | (2) | It has always been important for Alexkor SOC (Alexkor) Limited that the structures of the community be properly constituted and for the community elected representatives to be trained on the Deed of Settlement (DoS). Several attempts were made by Alexkor to train the community elective representatives to understand their rights and responsibilities in terms of the DoS, as Alexkor paid for training for the community structures on the DoS. In addition to this and before the Court Application was launched, Alexkor spent approximately R 4.6 million on legal fees in appointing Duncan Korabie Attorneys to perform legal services for and on behalf of the Richtersveld Communal Property Association (CPA), with a specific focus on matters relating to the DoS and in an attempt to ensure that the community is able to assist Alexkor in the proper and successful implementation of the DoS. Furthermore, Alexkor paid R739 724 on training for Community Members. The table below details the breakdown of the training expenses and Community Members:

| NAME OF COMMUNITY MEMBER: | PERIOD OFTRAINING: | TRAINING INSTITUTION AND COSTS: (INCLUDING TRAVEL AND ACCOMMODATION COSTS) |
| --- | --- | --- |
| 1. Lydia Obies
2. Wilhelmina Vries
3. Floor Strauss
4. Edwin Farmer
5. Jacobus Joseph
6. Andries Cloete
 | Community Elective Representative CPA | 22-23 October 201308 November 2013 | KaptiTwala / DentonsR606 236.00 |
| 1. Petrus De Wet
2. Liesel Fortuin
3. Niklaas Phillips
4. Koos Stoffel
 | SELF-DEVCO |
| 1. Willem Vries
2. Brain Koopman
3. Ryno Thomas
4. Dennis Farmer
 | RMC Directors |
| 1. Willem Vries
2. Brian Koopman
3. Ryno Thomas
4. Dennis Farmer
 | RMC Directors | 15-16 August 2016 | Webber WentzelR133 488.00 |
| T O T A L : | R739 724.00 |

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|  |  | Due to the lapsing of the terms of office of the previously elected Directors of the Richtersveld Mining Company (RMC), the company was left with one Director, whom was not even from the Richtersveld Community. The Community was informed via its various structures during January and February 2016 about the fact that the PSJV Board was not properly constituted. Alexkor was left with no alternative other than approach the Courts to appoint 3 (THREE) interim Directors to represent the RMC on the Board of the PSJV.On 16 August 2016 the High Court of the Western Cape declared that the community structures, including the RMC were not properly constituted, and subsequently appointed 3 (THREE) interim Directors to represent the RMC on the Board of the PSJV. The Court declared that the interim Directors will remain on the PSJV until the Community holds elections and appoints Directors to all the community and company structures. The Community has still not held elections and appointed their own Directors. The elections are anticipated to take place during July 2018. |
|  | (3) | The PSJV has confirmed that the proceeds from the declared dividends are held in a secure account to prevent mismanagement and to ensure that the financial interest of the Richtersveld Community is protected. The Court appointed Directors are not involved in the utilisation of financial proceeds from the PSJV. |

 The term of this Board will expire at its Annual General Meeting in September 2018

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