

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1461**

**DATE OF PUBLICATION: Friday 13 May 2016.**

**1461.     Adv A de W Alberts (FF Plus) to ask the Minister of Public Enterprises:**

(1)    Whether Mr S.Shane was appointed as a director and chairperson of Transnet’s Board of Directors; if so, (a) why was he appointed to the specified positions, (b) what are the qualifications that make the specified person suitable for apppointment to the specified positions, (c) what process was followed for appointing the specified person to the specified positions and (d) whether the specified person’s connection to the Gupta family played any part in the appointment;

(2)    Whether the specified person is a trustee and chairperson of the board of trustees of the Transnet Pension Fund and the Transnet Second Defined Benefit Fund; if so, (a) why was the specified person appointed to the specified positions, (b) what are the qualifications that make the specified person suitable for appointment to the specified positions, (c) what process was followed in appointing the specified person to the specified positions and (d) whether the specified person’s connection with the Gupta family played any part in the appointment?                     NW1612E

**Reply:**

(1). Mr Stanley David Shane was appointed to the Transnet Board on 14 December 2014 as a Non-Executive Director, on a three year term, subject to annual review. Mr Shane is not appointed as Chairperson of the Board, nor has he acted in the position to date. In terms of Board Committee membership, Mr Shane serves as member and Chairperson of the Board’s Acquisition and Disposal’s Committee, and member of the Remuneration, Social and Ethics Committee.

(a) Mr Shane possesses financial and economic competencies and business acumen.

(b) Mr Shane holds a B.Com degree (Finance) from the University of Witwatersrand obtained in 1993, completed the Regulatory Examinations at the Financial Services Board in 2012 and has been a Member of the South African Institute of Stockbrokers since 1996. He has extensive experience in Investment Banking, capital raising, insurance and structuring.

(c) The appointment of Board members is regulated by the Memorandum of Incorporation (MOI) of each State Owned Company and is the purview of the Shareholder Representative, after consultation with Cabinet. The Department is guided by a board appointment methodology which sets out the process of sourcing potential candidates for the appointment to Boards. Persons are found to be suitable by virtue of their qualifications, expertise, skills and experience.

(d) It is not known what connection Mr Shane has to the Gupta family, nor was this the reason for his appointment to the Transnet Board.

(2) Yes, he is a Trustee and the Chairperson of the Boards of Trustees of the Transnet Second Defined Benefit Fund and Transport Pension Fund.

(a) His academic qualifications and experience in economics and investment banking made him suitable for appointment.

(b) See 2(a) above.

(c) He was appointed by the Board of Transnet which is normal practice when Employer Trustees are appointed to these two Funds.

(d) The appointment is based on academic qualifications, experience and ability.