## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

 **PLO**

**RE :** **PARLIAMENTARY QUESTION NO 3683**

**DATE : 27 November 2017**

 **================================================================**

To provide the Minister with a response to Parliamentary Question Number 3683

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| **COVER MEMO AND THE PACKAGING OF PQ BY:****Department of Public Enterprises**  |
| **……………………………….****Act. Deputy Director-General: TE** **Date:** | **COMMENTS:****………………………………………..** |
| **…………………………………**Mogokare Richard Seleke**Director-General****Date:** | **APPROVED/DECLINED/COMMENTS****…………………………………………..****…………………………………………..****………………………………………….** |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 3683**

**DATE OF PUBLICATION: 27 OCTOBER 2017**

**3683.  Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises:**

 Whether (a) Transnet and/or (b) Denel SOC Ltd (i) concluded any contracts with and/or (ii) made any payments to certain companies (names furnished) since 1 April 2009; if so, in each case, what are the details of the (aa) contracts conclude and/or payments made, (bb) amounts of each contract and/or payment and (cc) authorizing person(s)? NW4114E

**REPLY:**

**DENEL SOC LIMITED**

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| --- | --- |
| **(a)** | **Not applicable** |
| **(bb)** | 1. **and (ii)**
 |

|  | **DETAILS OF THE CONTRACTS CONCLUDED and/or****PAYMENTS MADE****(aaa)** | **AMOUNTS OF EACH CONTRACT and/or PAYMENT****(bbb)** | **AUTHORISING PERSON(S)****(ccc)** |
| --- | --- | --- | --- |
|  | **Appointment of Regiments Capital as capital raising advisors in 2012** | 1. **Contract Amount:**

**R 300 000 000**1. **Capital Raised:**

**R 290 000 000**1. **Fees Paid:**

**R 2 900 000** | **Mr Riaz Saloojee as Group CEO** |
|  | **Appointment of Regiments Capital as facilitators of African Trade in 2013** | **2% would be charged for any acceptable finance or funding solution on Africa transactions. No payments have been made.** | **Mr Zwelakhe Ntshepe as Group Executive: Business Development** |
|  | **Conclusion of a Fund Raising Contract with Regiments in 2015** | 1. **Contract Amount:**

**R1 000 000 000**1. **Capital Raised:**

**R 400 000 000**1. **Fees Paid:**

**R 4 000 000** | **Mr Zwelakhe Ntshepe as Acting Group CEO** |

**TRANSNET SOC LIMITED**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **Reply (with reference to Transnet):**

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| --- |
| **PQ 3683 reference** |
|  | **(aa)** | **(bb)** |
| **Trillian Capital Partners** |  **Regiments Capital** |
| **(1) (a) (i)** |  **Whether we concluded any contracts with?** | No | Yes |
| **(1) (a) (ii)** | **Made any payments to?** | Yes | Yes |
| **(aaa)** | **What are the details of the contracts concluded and/or payments made?** | **Ceeded Contracts*** **General Freight Business** –

By way of a letter issued by Regiments to Transnet on 15 March 2106, Regiments authorised Trillian to execute the work and services relating to this contract on its behalf w.e.f. 1 March 2016. | **Direct Contracts*** **General Freight Business** - Contracted Regiments Capital for the Provision of Professional Services to support Transnet SOC Ltd in increasing General Freight Business with a breakthrough to reach planned volumes for financial years 2015/2016 and 2016/2017 for R375 millionContract period was from May 2015 to May 2017 but was terminated early in November 2016 by the Board of Directors.

**Ceeded Contracts*** **Transaction Advisory Servises**

Cession from McKinsey Inc with effect from April- 2014. Cession between McKinsey Inc and Regiments Capital whereby McKinsey handed over all rights, obligations and deliverables over to Regiments, now recognising Regiments as the principal lead for the contract in its entirety.**Subcontractor to a Transnet supplier*** Regiments was a sub-contractor to Mckinsey and a number of contracts that Transnet had with Mckinsey
 |
| **PQ 3683 reference** |
|  | **(aa)** | **(bb)** |
| **Trillian Capital Partners** |  **Regiments Capital** |
| **(bbb)** | **Amounts of each contract and/or payment** | R67m | R55984m |
| **(ccc)** | **Authorising person(s)?** | The transactions were approved following the approved Transnet policies and processes and in terms of the Transnet approved Delegation of Authority.Depending on the Delegation of Authority:1. Acquisition Disposal Committee or
2. Group Chief Executive
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| **Remarks:**  |  |  | **Reply: Approved / Not Approved** |
|  |  |  |  |
| **Mr Mogokare Richard Seleke** |  | **Ms Lynne Brown, MP** |  |  |
| **Director-General** |  |  | **Minister of Public Enterprises** |
| **Date:** |  |  | **Date:** |

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