

Thank you once again for providing me with the opportunity to respond.

This is with reference to your follow up questions.

Molelwane Consulting entered into an agreement with Regiments Capital which, clearly stated *that “the parties have been in discussions regarding working together in a strategic and mutually beneficial commercial relationships in pursuing various fund management and financial advisory services within primarily, the public sector in South Africa.”*

Pursuant to our agreement and as part of the relationship, Molelwane Consulting worked with Regiments Capital on the opportunity to respond to the COJ RPF A148 to design, structure, establish and manage a Sinking Fund. Each party to the contract had specific roles and responsibilities. Part of Molelwane Consulting’s responsibilities was to analyse and understand the City’s capital expenditure requirements, capital raising needs, appetite for different funding mix and a broad funding direction, as would’ve been outlined in the municipality’s Integrated Development Plan and official public statements of the municipality’s objectives such the State of the City Address and Budget speeches.

We wish to reiterate that Molelwane Consulting had an agreement to provide services to Regiments Capital and not any other entity. The contract stated without contradiction that this was a commercial agreement between the two entities and had no other meaning as suggested in your questions.

There are no merits to suggest that a risk based remuneration agreement would be solely based in “exchange for maintaining strategic relations.” That’s a very narrow and simplistic way of looking at it. Once an agreement has been entered into, it naturally becomes the responsibility of all parties to the agreement, without exception, to build and maintain relations with the client. There’s absolutely nothing peculiar with that.

Molelwane Consulting started operating in 1998 as a financial consulting company with clients in various sectors and not as an influencer or broker of relationships. Any suggestion otherwise, particularly of impropriety in the relationship between Molelwane Consulting and Regiments Capital is far-fetched and without basis.

Molelwane Consulting’s partnership with Regiments Capital was only based on the first Sinking Fund contract. No other business was done with Regiments Capital after the contract lapsed. I never received any instruction nor act on any instruction from Regiments Capital beyond our contractual agreement. I have no recollection of the so-called “cheat sheet” and the issues raised have nothing to do with neither Molelwane nor our agreement with Regiments Capital.

As stated previously I tendered my resignation as a Member of Molelwane Consulting and other business interests in November 2011 (See attached letters). This was in line with my decision to utilise my skills as a public representative. I also made a commitment to the Mayor of the day and the ANC when I was appointed to the position Member of Mayoral Committee that I will unwind my interests and resign all my directorships. All this was done in

November 2011. Subsequent to that the office made follow ups and confirmation was received that my resignations have been noted and processed.

This was to deal with any real or perceived/potential conflict of interest. I have, from the time I assumed my responsibilities at the City of Johannesburg, always disclosed and declared my business interests as required by law. I have continued to disclose all companies I was part of since 2011 in order to err on the side of caution.

My wife's business interests have been fully disclosed in the City's CONFIDENTIAL register of interests. I have written to the Integrity Commissioner in this regard to enquire why they gave incorrect information on your direct enquiry

Molelwane Consulting's earned fees from the partnership with Regiments Capital were as per our agreement as previously stated. I unfortunately I haven't had the opportunity to do a reconciliation of the actual total earnings to Molelwane Consulting given the limited time, as these would date back 12 years ago.

I trust you find my response helpful for your assignment.

Regards

Geoff Makhubo