

Dear Susan

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 relationship in jointly pursuing various fund management and financial advisory services within primarily the public sector in South Africa.” The agreement was to explore business opportunities on mutual areas of interest including for Molelwane Consulting to provide advisory services in our areas of expertise with a view to build capacity in Assets-Liability Management overtime.

Pursuant to our agreement, Molelwane worked with Regiments Capital on the opportunity to respond to the COJ RPF to design, structure, establish and manage a Sinking Fund.

Molelwane Consulting had an agreement to provide services to Regiments Capital and not any other entity. The agreement was between the two parties. The clauses of the contract were very clear, commercial and had no other meaning as suggested. Molelwane Consulting started operating in 1998 and not as an influencer broker. Any suggestion otherwise, particularly of impropriety or corruption in the relationship between Molelwane and Regiments is without basis.

The entity was only involved in the first Sinking Fund contract and no other business with Regiments Capital at the end of that contract. I do not recall receiving an instruction nor acting on any instruction from Regiments Capital beyond our contractual agreement. Furthermore, I have never been involved in procurement processes therefore I wouldn't know how a bidding party would derive a sense or feeling of surety.

I did not introduce Mr Teboho Makhubo to Regiments neither was I aware of any of his probable business dealings with Regiment Capital and hence I wouldn't know the details of their agreement if any was concluded.

I tendered my resignation as a Member of Molelwane Consulting in November 2011. This was in line with my decision to use my skills as a public representative. I also made a commitment to the Mayor of the day and the ANC when I was appointed MMC that I will unwind my interests and resign all my directorships. All this was done in November 2011. This was to deal with real or potential conflict of interest. I have from the time of joining COJ, always disclosed and declared my business interests. My wife's business interests have been fully disclosed in the City's register of interests.

As indicated in my previous response, leaders and members of the organisation are expected to participate in fundraising efforts to help the organisation with the running of its operations. Where possible, individual members can also contribute their own resources, in person or through their businesses, to help with the running of the organisation. Molelwane Consulting was a commercial entity and not a fundraising vehicle for the ANC but would from time to time contribute to the ANC.

In my capacity as a former executive member of Molelwane Consulting I can emphatically state that all my dealings and the operations of the company have been ethical and in accordance with strict corporate governance. I am satisfied that I have always complied with all relevant laws and regulations relating to ethical practices. This is no different as an office bearer of the ANC and during my tenure as the MMC of Finance in the City of Johannesburg.