Dear Sam,

We have read your questions and the associated unfounded as well as often defamatory conjunctures and innuendos that can harm our hard-earned reputation and integrity.

We feel it appropriate to make some general comments from which you are welcome to quote to supplement the answers we have given below.

Regiments Capital is the only surviving black-owned financial services and strategy firm that was founded more than ten years ago. The entire peer group, numbering more than ten, seem to have stalled or stagnated.

We have built our reputation and business, employing almost 77 predominantly black professionals**,** over 12 years of struggle in the context of an extremely competitive and hostile financial industry. We have managed to overcome very high barriers to enter this club that was exclusively the domain of white big capital. We are intent on building a successful black champion in investment banking.

We are still standing – and growing.

Regiments is a true BEE business that was founded in 2004 and has an enviable track record of adding value to our country and making social impact by virtue of its service offerings to its public and private sector client base. The Regiments value system is best expressed in our description of ourselves as “Patriotic Advisors with Humility”.

We are known in the markets as a company that innovates novel solutions to company and country problems utilizing our market-leading technical expertise and our fundamental understanding of the development and transformation imperatives of South Africa. We are also regarded as the company that can implement what it sells.

Our clients hold us in high esteem because of our track record of professional delivery. In all humility, we boast of our market-leading expertise evidenced by a regular stream of industry awards that we have won.

We believe that this success is difficult to fathom for people because in our country, sadly, black-owned businesses are not associated with success. There’s a general perception that if a black company is successful, it must have engaged in illicit acts. Success cannot be due to its technical expertise.

At Regiments, we do not conform to that trend. Our success, which is still a work in progress, has dispelled that narrative. We operate within the framework of the law. We pride ourselves for being an ethical company that complies with all prescripts.

Our adversaries have repeatedly tried to besmirch our name over the years, making numerous fanciful allegations, but none have stuck, because they have all been false.

We are still respected. We are still operating within the law. And we shall continue to do so.

Please find our more specific answers in situ below.

Regards

Litha and Niven

Dear Litha and Niven,

We are preparing an article in which Regiments stands accused of being party to the "capture" of Transnet.

This is **a** loaded statement. In fact, it is false, unfounded and **a** very serious allegation with catastrophic consequences for the brand, reputation, and survival of the business and people of Regiments. We operate in markets where clients need to trust us and our advice. Our business partners need to have confidence in our values and our business practices, lenders need to have confidence in our sustainability and our ability to repay, and counter parties to our financial trading businesses need to have confidence in our sustainability in order that we can perform on our obligations.

Perception, reputation, credibility and confidence are the bedrock of any financial sector business like Regiments, and as recent events have shown, any association with "state capture" will most certainly have immediate and dire consequences for Regiments and its people.

We state categorically that we do not engage in unlawful practice. We always operate with integrity.

All our rights are and remain reserved.

As promised, we are providing you with detailed allegations and an opportunity to respond.

Please come back to us with your responses by no later than 4pm on Monday 12 September 2016.

We reflect below some of our preliminary views, together with questions for you to answer, but please feel free to comment on or correct any of the assertions.

Regiments, together with its successor at Transnet, Trillian, appears to have milked Transnet of as much as R1-billion for advisory services that insiders say included payments that were untoward, unnecessary and massively inflated.

It is patently false that Trillian is the successor to Regiments at Transnet. For several years, Regiments was a non-exclusive (there were other SD partners to McKinsey) contractual supplier development ("SD") partner to McKinsey with particular reference to public sector clients (not Transnet only). As a consequence of this relationship, McKinsey sub-contracted the services of Regiments in several public sector client mandates.

Regiments was not involved in the procurement of these mandates. At a point in time after McKinsey had already finalized the mandate terms (by either a Letter of Intent ("LOI") or by an actual signed contract) Regiments would be requested to provide resources. At this point we would model the requirements and if we had in place the necessary capacity, or could acquire the capacity in time to begin the work, then Regiments would accept the sub-contract.

As already reported in the Sunday Times, Regiments embarked on a process to separate from Eric Wood in terms of his shareholding, directorship and employment in Regiments Capital. The methodology utilized was as per the prescripts of Section 197 of the LRA.

This was meant to result in staff, assets, liabilities and certain contracts being transferred to a new company that would belong to Eric Wood via his family trust. It was only at the point of implementing the transfer of staff during February 2016 that we became aware that he wanted the transfer to Trillian Capital Partners and that there would be other unspecified shareholders.

It appears from our own recent investigations that the planning and setup of Trillian by Eric Wood was set in motion prior to any thought, discussion or decision within Regiments to separate with Eric Wood. We have also uncovered the material diversion of Regiments corporate opportunities by Eric to Trillian and associated parties. We are advised that this is unlawful conduct and we are contemplating our legal remedies.

In an extraordinary display of corporate sleight of hand, the companies were assisted to parlay what was originally a R10m slice of a Transnet contract - that they didn't even bid for - into work worth more than R600 million - and perhaps as much as R1 billion.

As explained, Regiments did not bid for any of the work done with McKinsey at Transnet. We were always ex post subcontractors to McKinsey and we understand that we were not the exclusive beneficiaries of McKinsey's SD Program. We cannot speak for Trillian or McKinsey, but if your numbers here (R10m, R600m, R1 billion) are with reference to the fees earned by Regiments, then we can state categorically that they are false.

This happened without open tenders, in defiance of SCM rules and in a fashion that suggests an untoward relationship between Regiments (or individuals connected to Regiments) and decision-makers at Transnet.

We can state categorically that we know of no untoward relationships that have ever existed between Regiments (or individuals connected to Regiments) and decision-makers at Transnet.

Whenever the services of Regiments were procured by Transnet, it was always by means of procurement processes that complied with the law.

When the services of Regiments were procured by McKinsey, this was in terms of private contractual arrangement between the parties.

These are not just opinions: they are backed up by hard evidence, including documents and sources whose concerns greatly amplify the concerns expressed by FutureGrowth.

We are not convinced. To us, these are purely and simply opinions based on biased sources! They amount to nothing more than desktop analysis and conjecture. They are in fact backed up by zero hard evidence, but are backed up by the creative, and, perhaps malicious, speculations of nameless and faceless sources. These nameless and faceless sources may provide seemingly perfectly innocent source documents, but direct you to draw adverse inferences therefrom to suit their own agenda.

As regards the concerns of FutureGrowth, these need to be addressed to the public sector entities of which each is the custodian of its own governance. Your allegation that the concerns of your sources “amplify” the concerns of FutureGrowth is meaningless in the context. Your phraseology is merely designed to link, in the readers’ mind, poor public sector governance perceptions with the business of Regiments. There is absolutely no foundation for this type of link, and if you were to write your story in this way, it will be defamatory and unfair in the extreme.

The companies – Regiments and then Trillian – got a free ride into Transnet via a 2012 contract awarded to a consortium led by global management consultants McKinsey.

Your journalistic integrity suffers every time you conflate Regiments and Trillian as “the companies” in reference to events or conduct which only one of Regiments or Trillian were involved with. You are clearly doing it to unjustifiably taint the reputation of Regiments with any negative public perception there may be in respect of the reputation of Trillian (i.e. “state capture”). We must protest against this form of victimization and unfair journalism on your part, and must emphasize that should you choose to write the story in this way, we will most certainly contemplate legal action, including a demand for compensation for all damages sustained to our brand, reputation and business.

We categorically deny that we got “a free ride” into Transnet.

Regiments is a true BEE business that was founded in 2004 and has an enviable track record of adding value to our country and making social impact by virtue of its service offerings to its public and private sector client base. The Regiments value system is best expressed in our description of ourselves as “Patriotic Advisors with Humility”. We are known in the markets as a company that innovates novel solutions to company and country problems utilizing our market-leading technical expertise and our fundamental understanding of the development and transformation imperatives of South Africa. We are also regarded as the company that can implement what it sells.

It is admitted that our relationship with Transnet derives from our relationship with McKinsey. You are not reporting fairly when you attribute the Trillian relationship with Transnet to ourselves. That allegation is false.

McKinsey bid to act as transaction advisors for Transnet’s acquisition of 1064 locomotives (valued at R55 billion) in a consortium with Nedbank and McKinsey’s long-time empowerment partner, Letsema.

We cannot comment on how and with whom McKinsey bid for any work at Transnet. We have already explained how our relationship with McKinsey operated.

A month after the contract was awarded Transnet came up with a claimed conflict of interest relating to Letsema.

We have no knowledge of this and therefore cannot comment.

It appears that it was Transnet that proposed Regiments as a substitute for Letsema.

We are unaware that we were a substitute for Letsema in any mandate. We were introduced into all mandates at Transnet by McKinsey as the SD Partner of McKinsey.

> 5) It has been claimed by insiders that the payment of R93.5-million to Trillian was a Regiments payment in disguise. This was necessary because already exorbitant unrelated payments to Regiments had become a major compliance problem.
Please comment
Your allegation that this or any payment to Trillian is a disguised payment to Regiments is patently false and categorically denied. We would be concerned if you placed any reliance on the scurrilous speculations of your nameless and faceless "insiders". We urge you to report on this aspect with due regard to the stipulations of the Press Code given the serious harm this unfounded and false allegation can cause to our business, reputation and brand. We reserve our rights**.**

The facts are:

1. We did the work that we were contracted to do and were duly paid.

2. We also did additional work upon the client's instruction that represented a significant scope increase. There is usually some scope creep in advisory mandates for which no additional fee is levied. However, when the scope increase is disproportionately large, then it is common practice to motivate for an additional fee. We supplied a motivation in this regard and were informed by Transnet that our fee request was declined.

3. As far as we were concerned, this was the end of the matter.

4. The first knowledge we have of this alleged payment to Trillian is derived purely from the amaBhungane article dated 27 August 2016.

1) How was Regiments selected? What was Transnet's involvement?

As already explained, Regiments was selected and contracted by McKinsey.

The extraordinary inflation of the scope, range and cost of services is demonstrated by the following narrative.

This is simply false.

At the start of the process, in December 2012, the terms of the contract set out specific restrictions, notably that:
- financial advisory services were included in the remit ("Developing finance and funding options; Develop deal structure (financing, hedging and de-risklng options") and
- Payment for deliverables was clearly capped at R35.2m (excluding the legal advice) – with risk of overruns imposed on the bidder. The Letter Of Intent noted: "Deliverables must be executed for a fee of R35.2m as per the fee note below. Any overrun in terms of time will not be for the account of Transnet as the engagement is output based and not time based."

We are not privy to these details that you describe.

These restrictions were later completely ignored.

Our scope, fees, etc. were always communicated to us by McKinsey and always strictly adhered to.

2) In May 2013 another potential conflict of interest was raised with McKinsey concerning substituted to provide the required services to Transnet in place of Nedbank. What was the conflict and how did Regiments come to be selected on this ad-hoc basis?

We are not privy to these details you describe. Perhaps, it will be helpful if you could produce documentary evidence. We were always invited to participate in mandates by McKinsey and our scope, fees, etc. were always communicated to us by McKinsey and always strictly adhered to.

3) More, generally, we have heard from several different sources that McKinsey was "persuaded" to use Regiments, sometimes despite the fact that in various cases Regiments did not have the required skills. For instance, aside from the case above, we are told that Regiments was appointed to provide operational consulting for the GFB project but did not have the required skills, to the extent that other consultants were brought in (Accompany Advisory) to patch up the process/product. Please comment.

We have no knowledge that McKinsey was “persuaded” to use Regiments.

The standard operating practice in the consulting industry is to staff projects with full time resources in part, but to supplement project teams with appropriate sub-contractors and independent individual contractors. Projects’ durations can usually run from 3 months to 24 months, however, the resources generally roll on and roll of on a maximum 6-month cycle based on particular skills required for each phase of a project.

It, therefore, does not make practical and economic sense to staff projects with full time resources exclusively. Over 12 years of servicing client projects, Regiments has worked with dozens of sub-contractors, independent contractors and JV partners for reasons of complementing our skills and supplementing our available capacity. About 50% of our project teams would comprise outside resources.

It makes business sense. We categorically deny that any other consultants were brought in by Regiments “to patch up any process/product”.

4) On 4 February 2014, Anoj Singh signed an addendum to the LOI with McKinsey which purported to revise the scope of work for the funding portion of the tender agreement. This was signed by Eric Wood, who scratched out “McKinsey” and wrote in “Regiments Capital”. Our understanding is the tender contract was with McKinsey, who took responsibility and risk as the “principal lead”. On what basis did Transnet contract directly with a separate entity under the McKinsey contract?

We do not have knowledge of the details you describe above. Regiments was usually appointed as a sub-contractor to McKinsey in terms of the SD Program.

5) The value of the contract also underwent the first of many increases - by R6m - despite the fact that the scope of work fell squarely within the original parameters. Please comment

The details you describe above are not within our knowledge.

6) What insight did Regiments have into Wood's role at Transnet while he was still a director of Regiments? In general it is alleged that Regiments – led by Wood – acted as Anoj Singh’s personal advisors, with neither their role, terms of reference, budget or deliverables clearly defined. Please comment

Other than the role required in terms of the specific mandates Regiments was sub-contracted into by McKinsey, we are not aware of any other role that Eric Wood played.

All Regiments mandates were clearly defined in terms of role, terms of reference, budget and deliverables.

7) In April 2014, Anoj Singh sent a memo to the GCEO, Brian Molefe disclosing that i.r.o the contract portion described as “Transaction advisory and procurement execution” McKinsey’s role

was "de-scoped due to the extensive involvement of the Transnet executive team" - yet Regiments was paid R6,1 million under this banner. Please explain what services Regiments provided in this regard that neither Transnet nor McKinsey could provide.

We have no knowledge of the memo you describe. For the record, Regiments always executed the role it was mandated to perform and was paid the agreed fee in terms of the contract. We cannot comment on the capabilities of Transnet or the capabilities of McKinsey to perform the role that we performed.

8) Regiments was paid the full R15 million contracted for its revised funding role, yet Singh in this memo proposes and receives approval for a post-facto revision in the fee allocation to Regiments, to add an additional fee of R78,4 million. The calculation of the R78,4 million is a percentage based on estimates by Regiments itself on how much money its advice has supposedly saved Transnet.

Yet these figures are explicitly unreliable, with the memo noting: "The forecasts were based on using historical trends of appropriate indices as calculated by Regiments Capital. The calculations above are based on information available at a point in time to Regiments. The above calculations were prepared to demonstrate the impact of reducing the batch size and will not tie up to the final negotiated position."
This unbudgeted amendment to the value of the contract took Regiment's windfall from R20m to R99,5m.

The details you describe above are not within our knowledge. It appears your sources have given you a garbled conflation of many unrelated issues that they arbitrarily juxtapose in order to draw a prejudicial and adverse inference on us.

Let me deal with the negative characterization of the fees we have earned as a "windfall". This is unfounded, inflammatory, and false. It directs your readership to reach a conclusion that Regiments did not deliver a service for its fee but rather has "won a lottery". This kind of journalism can harm our brand, reputation, and our rights are reserved.

We earned our fees in line with the contractual obligations and the professional services we delivered.

9) Regiments was also appointed as transaction advisors and lead negotiator for the China Development Bank facility, without any competitive process. Outsourcing such a negotiation process was contrary to Transnet's interests and normal practice, given that it had an experienced Treasury department. The CDB proposal was extremely expensive as was Regiments' "arrangement fee" of more than R300 million.
Please comment

It is best practice and in their interests, for all corporates, public and private companies, to appoint transaction advisors for all but minor transactions. All mandates that we were procured to perform were in compliance with company policy and the law. The cost of the funding facilities we raised have always been market-related. The fees we were paid were market-related but not even close to the R300 million you quote. Once again your faceless sources are feeding you incorrect information in order to besmirch our reputation in order to further their own agenda.

10) It is alleged that the current Transnet treasurer Phetolo Ramosebudi is close to Regiments' Woods and proposed a number of transactions that benefited Regiments at the expense of Transnet. He also appears to be conflicted in that a close relative - REDACTED - worked for Regiments at the time and has followed Woods to Trillian.

Please comment

The point about the juxtaposition of "Regiments" and "Woods" has already been made and we repeat the objection here.

The relationship question should be addressed to the individuals (Phetolo Ramosebudi and Eric Wood) concerned.

Let us address the matter of REDACTED. REDACTED joined Regiments Fund Managers in 2013 as a graduate trainee with a very strong mathematics education and was promoted in 2014 to a junior Research and Development Analyst.

Regiments prides itself on its 12 year track record of hiring young Black talent and providing a nurturing non-racial environment in which young people of all races work hard, develop themselves and thrive.

REDACTED left Regiments Fund Managers on 29 February 2016. Given the professional attributes of this remarkable young black man, we were very sorry to lose him.

At no point did REDACTED hold a senior position at Regiments Fund Managers or any other Regiments group company.

When REDACTED was hired, his REDACTED was not the Treasurer of Transnet, which only commenced in 2015. We certainly could not foresee the unfolding of this unlikely eventuality.

In any event, Regiments Fund Managers did not at any point provide services to Transnet.

REDACTED was never involved in any Transnet work while his REDACTED worked there, and therefore there was never any conflict of interest.

We do not know of transactions that benefited Regiments at the expense of Transnet. The facts are that Regiments has consistently delivered value to the client in all its mandates and has always earned a market-related fee.

11) On 28 April 2015, Ramosebudi compiled a proposal purporting to approve a "contract extension" for the appointment of Regiments Capital for transaction advisory services and support to Transnet on the 1064 locomotive transaction, raising its fee from the previous R99,5 million by R166m to total R265,5 million. The document lists a series of supposedly innovative financial adjustments to the Chinese Development Bank loan structure. It notes: "Regiments have been working together with the risk management/middle office of Transnet Treasury for over the last 12 months to achieve the outcome below."

It claims that Regiments acted as lead manager with respect to the debt origination of the CDB loan and structuring/arranging cross currency and credit contingent default swap's iro CDB loan.

It estimates the financial benefits that accrued to Transnet from the negotiating strategy "pioneered by Regiments" is calculated to be in excess of R2.7 billion. It claims "the financial advice and negotiation support that Regiments provided through this entire process which took in excess of 12 months was done at risk with an expectation of compensation only on successful completion of the transaction".

We do not have any knowledge of the proposal to which you are referring.

a) Please explain how this saving was calculated and why there was no contract or deliverables in place for the claimed work that Regiments supposedly did "at risk"?

All Regiments mandates were underpinned by contracts with clearly defined deliverables.
b) It is not clear to us what additional value Regiments provided. We are aware that Transnet had among the largest and most competent corporate treasuries in the country – and was fully equipped to handle this transaction without Regiments. This was also the view of Transnet's external auditors who queried the payment. Please comment.

It is best practice that corporates appoint transaction advisors, and does not reflect on the size and competency of the corporate treasury. We cannot comment on the views of the external auditors.

The document also purports to recognize Regiments Capital "having supported Transnet in the 1060 locomotive tender as the transaction adviser is the BEE and empowerment partner of JP Morgan to enable Regiments to benefit from a significant transfer of skill from JP Morgan…"

c) JP Morgan has denied having any such relationship with Regiments. Please comment

We do not have such a relationship with JP Morgan. Perhaps your sources are fabricating lies in order to advance their self-serving agenda of discrediting our company.

d) We are also informed that JP Morgan was asked to pay Regiments what appears to have been a form of commission payment iro of JP Morgan's work on the loan and cross currency swaps. We understand that Marc Hussey, head of JP Morgan in SA, refused. Please comment

Best practice requires that all fees earned, whatever the mechanism of payment, have to be transparent to the client. Regiments has always complied with best practice.

12) Regiments was also engaged, without any tender process, to “assist” Transnet treasury to hedge the floating rate portion of loans by Standard Bank, Old Mutual Specialised Finance and Liberty Finance amounting to R4.4 billion by swapping the floating rates into fixed rates. The cost of this was undisclosed but included in the new interest rate. We are informed that this was very expensive, moving the rates from a WACC of between 8.3% and 8.7% to a WACC of 11.25% and 11.31% - a cost of about 300 basis points or R132 million per year. Please comment.

As we have repeatedly pointed out, Regiments was always appointed in compliance with procurement policy and the law.

Once again, we wish to reiterate that it seems you are being misled by your sources because they want you to write an adverse story to besmirch our reputation.

Let me try to explain how the interest rate hedging instruments work. Even a cursory examination of your “facts” reveals that your allegation that the transaction was expensive is founded on the false and simplistic premise that the difference between a short-term floating rate (say 3 month JIBAR floating) and a long-term fixed rate (say 20 years fixed rate) constitutes cost (say 300 basis points).

What your sources have conveniently ignored is the impact of the interest rate risk. Typically, a 20-year loan at a floating rate is exposed to the risk of JIBAR increasing. Market best practice is for corporates to have strict limits on the quantum of floating interest rate risk exposure. That would imply that, no matter what the “cost” differential may be, swaps must be executed for risk management purposes.

13) In December 2015, Transnet repeated the same slight of hand with the R12 billion club loan, appointing Regiments, without any competitive process, to hedge the interest rate risk on the floating rate. Again, the difference was about 300 basis points, from 9.2% to 12.2% - or about R360 million per year.
Calculations done show that the fixed rate after the swap, should have been approximately 11.40% - 11.45% after a fair value fee is added. The swap was transacted by Nedbank at a fixed rate of approximately 11.85%.
This transaction could have easily been dealt by Transnet Treasury with no extra cost.
The difference between fair value and the transacted yield is more than R 100 million.
This suggests that both Regiments and Nedbank did not have Transnet's best interest at heart, but their aim was to maximise their income.

Please comment.
As explained repeatedly, Regiments was always appointed in compliance with procurement policy and the law.

We have explained in our answer to Question 12 above the fallacy in your interest rate differential allegations. Once again your sources are misleading you.

We must strongly reject your false, unfounded and defamatory allegation that Regiments did not have its clients’ best interests at heart in any of its mandates. The facts are that Regiments has consistently delivered value to the client in all its mandates and has always earned a market-related fee.

This kind of journalism can harm our brand, reputation, and business and our rights are reserved.

14) Regiments was used to execute a further floating/fixed swap on R11,3 billion worth of debt, using the Transnet Second Defined Benefit Fund as a counter party. It is not clear what the cost of this swap is, but it represents a potential risk to the TSDBF, which would not normally assume such risks.
Please comment.

We have never breached the terms of our mandates with respect to risks or otherwise.

15) In May 2015, the Transnet Dealers were instructed by Ramosebudi to place an amount of R 2 billion on term deposit at Nedbank. The tenure was 6, 12 and 18 months. This instruction was untoward as Transnet is a net borrower in the Money and Capital markets. Most funding receipts are placed as call deposits, till the funds are utilized. Placing large amounts of funds for such long maturities is not good practice and does not make sense and has not been done before.
A complicated, risky and expensive put and call structure was put in place using the R186 government bond.
The structure was proposed by Regiments. This type of structure is not cost effective, does not manage carry cost, is speculative, untoward.

Please comment

Your contention that there was anything untoward is untrue. Clients of this nature run complex cash management solutions. It is very expensive to borrow at 20 year fixed rates and invest in call deposits. Clients will typically try to mitigate this "negative carry" by doing some sort of structured deposit that matures when the funds are required by the clients' businesses. In particular, reducing the "negative carry" is good practice and makes total sense, and has been done extensively in the corporate markets.

Please feel free to verify this with independent experts instead of relying on your biased sources. You will discover that the adverse inferences your sources want you to draw are unfounded.

16) We are told that many of Regiment's transactions (eg interest rate or currency hedges) on behalf of Transnet were done with Nedbank as their only counter-party because other banks were reluctant to trade with them as agent on Transnet's behalf.
These Banks find it strange that an agent transacts on Transnet Treasury's behalf, when Transnet has one of the most sophisticated Treasury departments in the country.
We are informed that, at one point, Nedbank decided that the reputation risk was too large and refused to continue paying Regiments as an "agent" of Transnet, insisting that Transnet pay Regiments directly.

Please comment.
With due respect, there is nothing strange here. It is best practice in the industry to appoint independent advisors for these types of transactions.

Regiments has conducted hedging transactions for its clients with a number of banks, on a fully transparent basis with respect to its clients in relation to fees. We have most often been paid the fees via the bank counterparty since it simplifies the accounting treatment for the client. There are banks that are not happy to pay the fee, but I would suggest that this is for competitive reasons as opposed to reputational reasons.

17) We are informed that Garry Pita was, at one time, friendly and socialized with Niven Pillay.
Please comment.

Niven Pillay states categorically that he was at no time "friendly" and that he at no time "socialized" with Garry Pita.

Niven Pillay has spent no more than 5 minutes of time during each of 4 separate occasions during which he was physically in the same place as Garry Pita. Each and every instance of "meeting" was purely coincidental. The conversations amounted to no more than of a polite greeting between two people that are aware of the existence of each other from a distance.

18) We understand Regiments to be close to ANC treasury and note that Regiments previously confirmed that it or its principals made donations to the party. We point out that the R78m (in point 8 above) was approved and paid in a rush before the 2014 national elections. Did any of the fees referred to above flow directly or indirectly to the party?

Frankly, this is clutching at straws. In fact, this is a desperate bid by your sources to invent fictitious facts to advance their agendas. We cannot be drawn into this net irrespective of some creative magician's input.

We are not close to ANC treasury. We merely acknowledged on record that we donated to the ANC and we are not alone in this respect. The payment date had no relationship with the 2014 national general elections. We will not dignify with a response the question "whether any of the referred above flow directly or indirectly to the party".

19) REDACTED

Thank you

Please do not hesitate to come back to me or my colleagues (copied above) if you have any queries.

Sam Sole

amaBhungane Centre for Investigative Journalism

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