

9th November 2009

OPEN LETTER TO OUR SHAREHOLDER AND OUR CUSTOMERS

RE RESIGNATION OF MR JACOB MAROGA

It is with a heavy heart that we bring this before our shareholder and the public as the burden over the past two weeks has indeed taken its toll on Eskom. We have previously been accused of not alerting the public on the pending crisis after government emphatically refused to give Eskom permission to embark on its new build programme. Its refusal has cost the country dearly as we suffer from both security of supply issues and failure to take timely advantage, when it would have been more cost effective to build (i.e. in 1995).

We have asked ourselves the questions: where is the then Minister of DPE and DME to be held accountable for their actions. We had back then, even appealed to the presidency, but to no avail. The then President apologized but that could not avert the almost irreparable harm imposed on our country.

After much soul searching, we have decided to break the wall of silence by communicating to all. We cannot allow the politics of the day to once again bring Eskom into disrepute for its failure to be heard.

At a time when the country needs us to focus on the core business, Mr Maroga has instead chosen to drag the organisation into endless strategy and restructuring sessions, which at every instance failed to add any value save to reveal that Mr Maroga's entire focus appears to be to demonstrate that he is the better leader than his predecessors (refer his board submission that he made available to the media). Over these past two weeks, Mr Maroga has again demonstrated his inane sense of priorities by causing further disruption and chaos without any sense of the need to focus on the work at hand.

The previous CEO, Mr Thulani Gcibashe commanded well earned respect from Eskom and its stakeholders and his legacy lives on. It would seem that Mr Maroga's obsession with etching a name for himself as a powerful leader has undeniably created much friction in the organisation. Indeed, it is common knowledge amongst industry that this is the right decision.

We call upon all our previous black executives who have left due to the intolerable working relationship with Mr Maroga to please come forward and be heard and not fear that there would be political ramifications. We strongly believe that we are no longer in the era of our former presidency where certain individuals felt they had immunity by virtue of their perceived power base.

We had previously written to the board and our shareholder, indicating that the situation at Eskom had deteriorated to such an extent as to create a total paralysis of the organisation. This is entirely due to the gross incompetence of Mr Maroga.

He has repeatedly demonstrated his inability to make even the simplest decisions in the interests of Eskom, such as the cost cutting measures proposed by management. He refuses us access to what he has called his EXCO and items on the EXCO agenda are left undecided as he is unable to make even the most simplest of decisions. Matters are held in abeyance indefinitely as he consults with his American advisors, who are kept on retention for over millions per annum, and who are privy to all sensitive and confidential information, without having to declare their interests or the like.

The organisation continues to suffer from past ill-fated decisions such as his refusal to implement management's proposed communications programme with our public on the build programme and the price increase ahead of the submission of the application and to consider the renewables programme. He has placed a gag on all employees not to deal with the public and media. This recent act has culminated in a further two of our black executives exiting Eskom, one of which is the Eskom spokespersons, Mr Fanie Zulu.

According to Eskom , the board of our company has resolved in total unanimity (white and black) that Mr Maroga must resign. The board, appointed by the shareholder has been entrusted to after Eskom's interests. Our current position is that **Mr Maroga is no longer the CEO of Eskom** and any issues arising out of that resignation is a matter for Mr Maroga to take up with the board outside of Eskom.

We appeal to all who hold South Africa dear, not to dress this up in racism. Mr Maroga had been given a major opportunity and consistently failed to deliver. Let us allow a new leader to emerge who will be black, as we have many black executives who are more than able to fill the large shoes of Mr Thulani Gcbashe. Let us be allowed to pick up the pieces and gather Eskom again for the many problems we need to tackle.

We call upon Mr Maroga not to blackmail this country, by citing his act of delaying the price application to after the elections, as a favour owed to him. We appeal to you to let us be- any attempts to reinstate yourself will result in further damage to an organisation reeling from lack of direction, over-talking on issues and mostly a failure to act and trying to bend Eskom to your will to ensure your personal mark is cast on it.

Eskom Senior Management

