



---

## **EXHIBIT BB 3.2**

**SUPPLEMENTARY  
AFFIDAVIT  
OF  
MS MAHOMEDY**

---



**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,  
CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE**

2<sup>nd</sup> floor, Hillside House  
17 Empire Road,  
Parktown  
Johannesburg  
2193  
Tel: (010) 214-0651  
Email:

[inquiries@sastatecapture.org.za](mailto:inquiries@sastatecapture.org.za)  
Website: [www.sastatecapture.org.za](http://www.sastatecapture.org.za)

---

**INDEX: EXHIBIT BB 3.2**

---

<b>Description</b>	<b>Pages</b>
Supplementary affidavit of Mohammed Suleman Mahomedy	01 to 05
Annexure "A"	06
Annexure "B"	07 to 10

---

**SUPPLEMENTARY AFFIDAVIT OF THE ACTING GROUP CHIEF EXECUTIVE OF  
TRANSNET**

---

I, the undersigned

**MOHAMMED SULEMAN MAHOMEDY**

do hereby make oath and say that:

**1. INTRODUCTION**

- 1.1 I am a major male employed by Transnet SOC Ltd ("Transnet") as its Acting Group Chief Executive ("AGCE") with effect from 01 May 2019.
- 1.2 I initially made submissions on 16 April 2019 ("my statement") to the Zondo Commission of Inquiry into allegations of State Capture ("the Commission") in my then capacity as the Acting Chief Group Financial Officer ("GCFO") of Transnet
- 1.3 The facts contained in this supplementary affidavit are true and save where the contrary appears from the context or is otherwise stated, are within my personal knowledge.

**2. PURPOSE OF SUPPLEMENTARY AFFIDAVIT**

- 2.1 I was furnished with the statement of Mr Neil McCarthy ("Mr McCarthy"), the Executive Head of Risk and Investment Banking, Nedbank Limited ("Nedbank").
- 2.2 The statement is submitted by Nedbank in terms of Rule 3.4 of the Rules governing the proceedings of the Commission. In the statement, Nedbank disputes allegations that I made in my statement, dated 16 April 2019 and seek

leave to cross examine and present evidence to the Commission, both verbally and by way of written submission.

2.3 I have read the contents of Mr McCarthy's statement and wish to respond thereto. However, I hasten to state that Mr McCarthy's statement lacks sufficient detail to warrant an appropriate response at this stage. I have however elected to deliver a supplementary affidavit to address the issues arising from Mr McCarthy's statement.

2.4 The purpose of the statement is therefore to:

2.4.1 update my statement to reflect the current position following engagements with Nedbank; and

2.4.2 correct an inaccuracy in my statement given new information that has come to my attention following the engagements with Nedbank.

2.5 My statement is premised upon documents, memorandums, correspondences, emails and mandates in my possession (which I have read). Accordingly, and to the extent that the averments appearing on my statement are in conflict with the views of Nedbank, I stand by my statement of 16 April 2019. Any allegation in the statement under reply in conflict with what I state in my statement and supplementary affidavit is denied.

2.6 I proceed now to deal with Mr McCarthy's statement *ad seriatim*.

### 3. MR MCCARTHY'S STATEMENT

#### Ad Paragraph 4(a)

TH

3.1 I note Mr McCarthy's allegation herein and affirm that my submission in paragraph 3.2.3 of my statement is made with specific reference to Regiments and Trillian only and not Nedbank.

Ad Paragraph 4(b)

3.2 It is correct that the conclusion of the interest rate swaps is prejudicial to Transnet. A legal argument will be advanced on Transnet's behalf in this regard.

3.3 As indicated in paragraph 5.6.11 of my statement, the decision to swap from floating to fixed has resulted in the following additional cost to Transnet as of 25 February 2019:

3.3.1 ZAR 785.3 million; and

3.3.2 ZAR 696.6 million.

Ad Paragraph 4(c)

3.4 In paragraph 5.6.7 of my statement, I give uncontroverted evidence of what transpired during March 2016 and rely on the emails exchanged between the officials of Transnet and Nedbank.

Ad Paragraph 4(d)

3.5 I confirm that Nedbank did not have an official mandate from Transnet to execute the swaps.

Ad Paragraphs 4 (e) and (f)

3.6 Subsequent to the submission of my statement, on 07 May 2019 I received confirmation from Nedbank that "...no fees were paid by the Markets division of

*Nedbank to any Regiments or Trillian entity in respect of the swap transactions”.*

For ease of reference, a copy of the letter from Nedbank is attached hereto and marked Annexure “A”.

Ad Paragraph 4(g)

3.7 To the extent that Mr McCarthy has not stated the basis for disputing the allegations contained in paragraph 5.6.15 of my statement, I reiterate the concerns and/or irregularities referred to in my statement, which are related to Transnet Internal processes.

Ad Paragraph 4(h)

3.8 A reasonable inference can be drawn from the correspondence exchanged between Transnet and the McKinsey led consortium that Nedbank was replaced by Regiments in the 1064 Locomotive Transaction on basis of a conflict of interest.

3.9 Copies of the correspondences exchanged between McKinsey and Transnet are attached hereto as Annexure “B”.

Ad Paragraph 5 to 8

3.10 Save for the request for an indulgence by Nedbank to prepare its submission, which I will abide by the Commission’s decision, I deny the contents of these paragraphs insofar as they are inconsistent with what I have stated in my statements.

  
Deponent

Thus signed and sworn to at Illovo on this 13<sup>th</sup> day of May 2019, the Deponent having acknowledged that he understands the contents of this affidavit, that it is both true and correct to the best of his knowledge and belief, that he has no objection taking the prescribed oath and that the prescribed oath is binding on his conscience. I certify that the above affidavit was sworn to before me and that the provisions of the regulations contained in *Government Notice No. R. 1258 of 21 July 1972, as amended by Government Notices No. 1648 dated 19 August 1977 and No. R. 1428 dated 11 July 1980*, have been complied with.

T. Haka

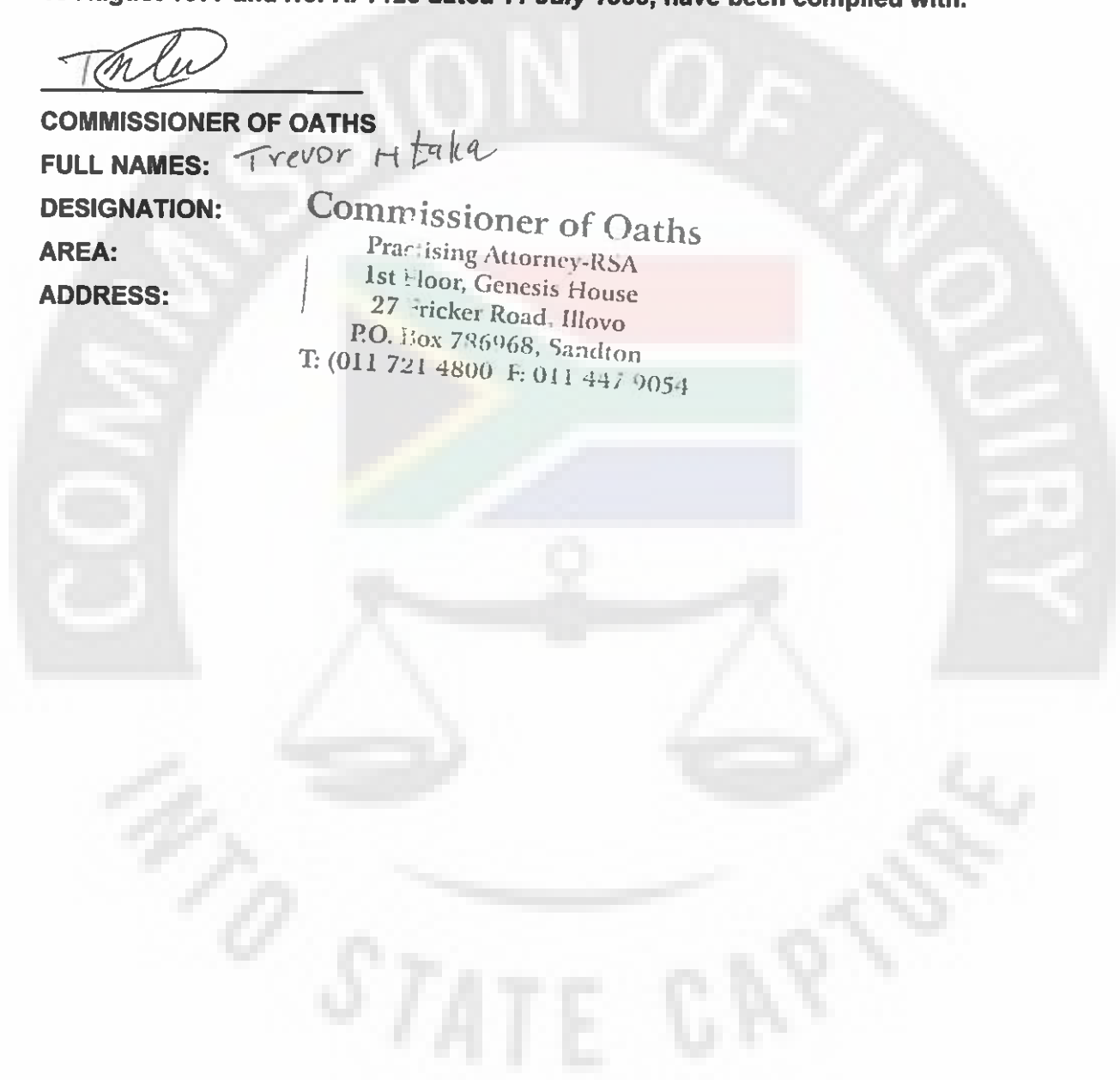
COMMISSIONER OF OATHS

FULL NAMES: Trevor Haka

DESIGNATION: Commissioner of Oaths

AREA: Practising Attorney-RSA

ADDRESS: 1st Floor, Genesis House  
27 Fricker Road, Illovo  
P.O. Box 786968, Sandton  
T: (011 721 4800 F: 011 447 9054



"A"

MSM-SUP-06



7 May 2019

Helen Walsh  
Transnet SOC  
c/o MNS Attorneys  
16 Fricker Road

BY EMAIL

[helen.walsh@transnet.net](mailto:helen.walsh@transnet.net)

Copy: [Mandla@ndlovu-sedumedi.co.za](mailto:Mandla@ndlovu-sedumedi.co.za)

Dear Helen

#### ZONDO COMMISSION STATEMENT

We refer to the meeting between Nedbank and Transnet yesterday and have read your statement handed into the Zondo Commission (the Statement).

Although Nedbank does intend to respond formally to the Zondo Commission, we hereby confirm our previous verbal communication that no fees were paid by the Markets division of Nedbank to any Regiments or Trillian entity in respect of the swap transactions referenced in paragraph 5.6 of the Statement.

I also attach electronic copies of the documents discussed in the meeting.

Kind regards

Arnel Bosman

EXECUTIVE HEAD: NEDBANK CIB MARKETS

Nedbank 135 Rivonia Campus 135 Rivonia Road Sandown Sandton 2196 | PO Box 1144 Johannesburg 2000 South Africa  
T +27 11 294 4444 | F +27 11 295 1111 | E [cib@nedbank.co.za](mailto:cib@nedbank.co.za) | W [nedbank.co.za/cib](http://nedbank.co.za/cib)

Directors: V Naidoo (Chairman) MWT Brown (Chief Executive) HR Brody BA Dames HP Dongwana EM Kruger RAG Leith PM Makwana L Maksimia Dr MA Mokoane  
RK Morathi (Chief Financial Officer) MP Moyo JK Netshitenzhe MC Nkulu (Chief Operating Officer) S Subramoney Alf Wyman (British) Company Secretary | Katzin 01 01.2019

Nedbank Corporate and Investment Banking is a division of Nedbank Limited Reg No 1951/000009/06. Authorised financial services and registered credit provider (NCRCP16)



# McKinsey & Company

June 12, 2013

CONFIDENTIAL

Mr Anoj Singh  
Group Chief Financial Officer  
Transnet

Dear Anoj,

**Response to your letter: "Potential Conflict of Interest Identified – Nedbank Capital"**

This letter refers to the conflict of interest identified for Nedbank Capital regarding the 1064 Locomotive Transaction Adviser services (GSM/12/03/0428).

In terms of the existing Letter of Intent (GSM/12/05/0447), McKinsey & Company was to lead the consortium and run the Programme Management Office (PMO). To date, phase one of the Transaction Advisory services has been completed (business case integration and approved investment decision by Board and DPE). Phase two awaiting Transnet internal stakeholder approval before we commence. During the phase 1 process, Transnet decided to implement strict confidentiality measures and manage governance risks. This decision, ratified on Tuesday April 2nd 2013 at the Locomotive Transaction steering committee meeting chaired by the GCEO, disaggregated the original consortium as described in the Letter of Intent and approved the following changes:

- The PMO and data room would in future be housed and run within the office of the TFR CE, and Regiments Capital would provide additional support if required
- The PMO would assume the formal integration role, and hence manage the interfaces with each consortium partner separately
- Transnet Treasury and the TFR Finance department would deal directly with the financial service providers, Nedbank Capital and Utho Capital

The project plan assigned a key role to the financial service providers during phase two. Since the timing and scope of phase two are still uncertain, however, Nedbank Capital and Utho Capital have had limited interaction with Transnet regarding the 1064 Locomotive Acquisition, except for two discussion meetings held on March 1st and March 12th 2013 as a part of phase 1.

McKinsey, Incorporated, trading as McKinsey & Company  
Sandown Mews East 88 Stelle Street Sandown Sandton 2196 PO Box 652787 Benmore 2010 South Africa  
Telephone +27 (11) 506 6000 Fax +27 (11) 506 6000

Incorporated under the General Corporation Law of the State of Delaware USA Shareholder Liability Limited Registered Agent Corporation Service Company Delaware USA  
Registered in South Africa No 1111022306110 Directors: B Bear (Canada) AJ De+ (Ghana) Virginia L. Arlino (Australia)

We understand Nedbank Capital has also since expressed interest in providing other services to Transnet regarding the 1064 Locomotive Acquisition, resulting in a potential conflict of interest.

Given this situation, the timing of events and the fact that McKinsey had originally requested Nedbank Capital to join the consortium in the proposal document submitted on June 7th 2012, we will communicate the conflict of interest to Nedbank Capital. While technically this communication should be handled by Transnet, business protocol dictates it should be our responsibility. We will also convey Nedbank Capital's response to Transnet.

To resolve the conflict of interest, McKinsey proposes that Regiments Capital takes responsibility for the scope of work originally designed for Nedbank Capital. We also request that the agreed changes in the structure of the consortium, as described above, are reflected in the Letter of Intent.

Sincerely,

Shrey Viranna

Vikas Sagar

Michael Kloss

Formatted: Font: 12 pt



Mr. Michael Kloss  
 McKinsey Incorporated  
 88 Stella Street  
 Sandown Mews East  
 Sandton  
 2196

Dear Mr Kloss

**POTENTIAL CONFLICT OF INTEREST IDENTIFIED – NEDBANK CAPITAL**

This letter serves to inform you of the potential conflict of interest identified with Nedbank Capital on the 1064 locomotive Transaction Adviser (GSM/12/03/0428).

The conflict is primarily based on Nedbank Capital being appointed as part of the McKinsey led consortium to provide Transnet with Advisory services related to the acquisition of 1064 locomotives tender as well as their interest in providing funding for other related services to Transnet for the same transaction.

If Nedbank Capital chooses to continue to express an interest to provide other services related to Transnet for the 1064 locomotives transaction, thereby resulting in a conflict, I suggest that McKinsey source an alternative service provider as it relates to the original scope envisaged for Nedbank Capital (funding for advisory services).

I would appreciate a response to this letter by 15 June 2013 to enable Transnet to evaluate the credentials and scope of work of the alternate service provider

Kind Regards

**Anoj Singh**  
 Group Chief Financial Officer  
 Date: 22/05/13

Transnet SOC Ltd  
 Registration Number  
 1990/000900/30

Carlton Centre  
 150 Commissioner  
 Street  
 Johannesburg  
 2001

P.O. Box 72501  
 Parkview, Johannesburg  
 South Africa, 2122  
 T +27 11 308 2253  
 F +27 11 308 1269

Directors: M.C. Mhambane (Chairman) B. Molefe\* (Group Chief Executive) N.K. Choubey\* M.A. Parucchi Y. Fortes M.D. Gazendam H.P. Mookana M. Moola R.R. Njoku D.H. Sharma  
 B. Shabane E. Tshabalala D.J. Tshede A. Singh\* (Group Chief Financial Officer)  
 \*Executive Indian

www.transnet.net

Group Company Secretary: AHC Ceba

