



EXHIBIT DD 4

**PHOLISANI
DANIEL
MAHLANGU**



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

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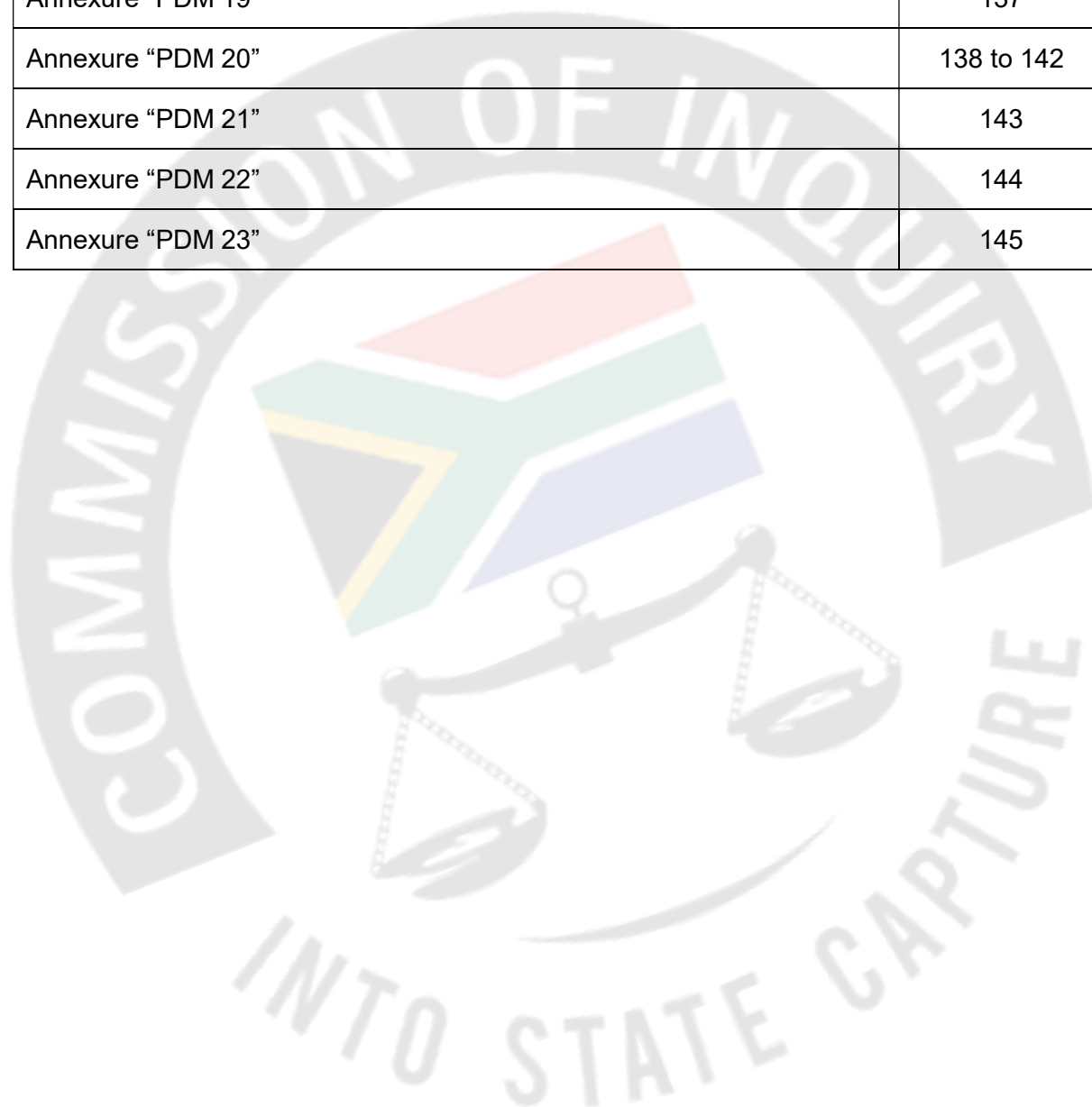
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IN THE JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR, INCLUDING
ORGANS OF STATE (THE "COMMISSION")

BEFORE THE HONOURABLE DEPUTY CHIEF JUSTICE OF THE REPUBLIC OF
SOUTH AFRICA: MR. RRM ZONDO

STATEMENT BY PHOLISANI DANIEL MAHLANGU

I, the undersigned,

PHOLISANI DANIEL MAHLANGU

do hereby make an oath and state the following:

1. PERSONAL PARTICULARS

- 1.1. I am an adult male businessperson with offices at Summit Square, Three Seasons,
Office Park, 7 Spring Street, Rivonia, Sandton, 2191.

1.2. I am the Chief Executive Officer (CEO) and the sole director of BnP Capital Proprietary Limited (registration number: 2010/011912/07), a private company duly incorporated in accordance with company laws of South Africa (**BnP Capital**). In 2017 and for rebranding purposes, the company name was changed from BnP Capital to Pholisani Capital Proprietary Limited. For purposes of this statement as well as for ease of reference, I shall refer to the company as BnP Capital.

1.3. As the CEO of BnP Capital, I am charged with the duty to run the company and ensure that it complies with all relevant laws and corporate governance requirements. I am also involved in the day to day management of the company to ensure that it achieves its business objectives.

1.4. All the facts alleged to in this statement are, save where I state the contrary or the contrary otherwise appears from the context, within my own personal knowledge and belief both true and correct.

2. QUALIFICATIONS AND EXPERIENCE

- 2.1. My qualifications are Bachelor of Business Science, Honours in Mathematics and Advanced Diploma in Company Law.
- 2.2. BnP Capital is an independent advisory and investment company established in 2010 as a wholly black owned and managed company. The company offers advisory services which are built on a foundation of efficient and effective delivery of investment services and solutions.
- 2.3. I have more than a decade's experience:
- 2.3.1. working with South Africa's most prominent finance houses and financial service providers;
 - 2.3.2. as a businessman involved in private equity, project finance, corporate finance, and project management and analysis; and
 - 2.3.3. in the roads, property, education, transport, health, energy, mining and other related sectors.
- 2.4. In the period between 2007 and 2010, I was a Senior Project Manager at the Public Investment Corporation SOC Limited (PIC). I was also an Investment Associate at the National Empowerment Fund for a period of 4 (four) years between 2003 and

2006. From working for these entities, I then ventured into private business to establish BnP Capital in the year 2010.

2.5. I have been involved in numerous financial advisory and capital raising projects for both public and private sector entities, individually or in partnership with other entities. The project list includes, but not limited to the projects set out below:

2.5.1. Individual Experience

2.5.1.1. head of Funds of Funds for the PIC;

2.5.1.2. unwinding of MTN BEE transaction (approximately R24 000 000 000 (twenty-four billion Rand));

2.5.1.3. refinancing of First Rand BEE transaction (approximately R6 000 000 000 (six billion Rand)); and

2.5.1.4. refinancing of Royal Bafokeng Platinum Corridor Concession for approximately R4 300 000 000 000 (four billion three hundred million Rand).

2.5.2. BnP Capital Experience

2.5.2.1. raised capital for a health fund of approximately R1 700 000 000 (1 billion seven hundred million Rand);

2.5.2.2. raised capital in the amount of R16 000 000 000 (sixteen billion Rand) for National Treasury (**Treasury**) (was the co-lead arranger together with Citi Bank);

2.5.2.3. raised capital in the amount of R2 100 000 000 (two billion one hundred million Rand) for TOTAL SA in its BEE transaction;

2.5.2.4. raised capital in the amount of R1 200 000 000 (one billion two hundred million Rand) for Ascendis Health Limited in its BEE transaction;

2.5.2.5. conducted a feasibility study on the academic hospital asset (approximately R40 000 000 000 (forty billion Rand));

2.5.3. Partnered with commercial banks on various projects, including the following projects:

2.5.3.1. raising of capital and structuring of the sukuk government bond for National Treasury;

2.5.3.2. managing sinking funds for City of Johannesburg;

2.5.3.3. raising capital for the Bus Rapid Transit buses for the City of Tshwane;

2.5.3.4. raising capital for the Bus Rapid Transit buses Rustenburg Municipality; and

- 2.5.4. BnP Capital has recently partnered with a commercial bank to raise capital in the amount of approximately R24 000 000 000 (twenty four billion Rand) to buy a listed property company for a client.

3. PURPOSE OF THIS STATEMENT

3.1. BnP Capital and myself are grateful and thankful to the Commission for presenting us with this opportunity to clear our names and to set the record straight about various allegations and insinuations that have been made in the public domain and by some of the witnesses who have submitted statements to the Commission. We have been judged and sentenced in the court of public opinion without the opportunity to tell our story. Finally, we can tell our story, and hopefully the Commission and the public will know the true facts as we know them, concerning our involvement in the SAA transactions.

3.2. This honorable Commission has served me with 3 (three) notices in terms of rule 3.3 of the Rules Governing Proceedings of the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector Including Organs of State.

3.2.1. The said rule 3.3 notices were served on different dates and they were in respect of different persons as follows:

3.2.1.1. rule 3.3 notice in respect of Ms Cynthia Agnes Soraya Stimpel (**Ms Stimpel**) and annexures thereto, dated the 17th of May 2019 (the "**First Notice**");

3.2.1.2. rule 3.3 notice in respect of Ms Phumeza Nhantsi (**Ms Nhantsi**) and annexures thereto, dated the 3rd of June 2019 (the "**Second Notice**"); and

3.2.1.3. rule 3.3 notice in respect of Mr. Pieter van der Merwe (**Mr. van der Merwe**) dated the 7th of June 2019 (the "**Third Notice**").

3.2.2. In terms of the said rule 3.3 notices, I have been informed that:

3.2.2.1. the Commission intends to lead the evidence of Ms Stimpel, Ms Nhantsi and Mr. van der Merwe on the 13th of June 2019, 18th of June 2019 and 14th of June 2019 respectively;

3.2.2.2. the evidence of Ms Stimpel, Ms Nhantsi and Mr. van der Merwe "implicates" or "may implicate" me in "unlawful, illegal or improper conduct" in the respects as set out in each particular notice; and

3.2.2.3. that I am entitled to attend the hearing of the evidence of the 3 (three) respective persons mentioned above and submit this

statement for purposes of either denying or disputing the allegations made by the said persons.

3.3. On 6 June 2019, I was served with a summons, in terms of section 3(2) of the Commission Act 8 of 1947 to appear before the Commission on the 18th of June 2019 to:

3.3.1. to give evidence before the Commission; and

3.3.2. to be questioned about allegations of state capture, corruption and fraud in regard to the R15 billion debt consolidation and capital raising project which South African Airways SOC Limited (**SAA**) embarked on during the years 2015 and 2016 (**SAA Project**).

3.4. On 14 May 2019 I attended a meeting at the offices of the Commission at Hillside House, 17 Empire Road, Parktown, Johannesburg (**14 May Meeting**). The Commission's officials that attended the 14 May Meeting included Advocate Kate Hofmeyr (**Adv Hofmeyr**), Advocate Buthelezi, Mr. Sifumba, Ms Madonsela and Mr. Nhlakanipho Kunene. The Commission presented me with a list of questions which the Commission required me to address as part of my response to the rule 3.3 notice, the service of which was, at that time, imminent. I therefore address these questions in this statement as directed by the Commission at the 14 May Meeting.

3.5. In view of the abovementioned, the purpose of this statement is as follows:

- 3.5.1. to provide background and context of BnP Capital's engagements with SAA in respect of each contract under the SAA project;
- 3.5.2. to respond to the allegations made against myself and BnP Capital by each of Ms Stimpel, Ms Nhantsi and Mr. van der Merwe respectively. Furthermore, to deny or dispute any allegations made by the said persons and provide grounds for my denial of such allegations;
- 3.5.3. to narrate my side of the story to the Commission in relation to the SAA project;
- 3.5.4. provide responses to the questions presented to me by the Commission at the 14 May Meeting; and
- 3.5.5. to provide my personal views regarding the issues at hand and allegations or accusation levelled against me and BnP Capital.

4. **STRUCTURE OF STATEMENT**

To ensure chronology, cohesion and clarity, my statement shall be structured as follows:

- 4.1. background to the SAA project: I shall set out how the project commenced, persons involved, challenges faced, cancellation of the SAA project and media reports;
- 4.2. my response to particular allegations of impropriety as set out in each rule 3.3 notice;
- 4.3. my response to other allegations made in each affidavit;
- 4.4. my answers to questions raised at the 14 May Meeting; and
- 4.5. lastly my personal views and concluding remarks.

5. BACKGROUND

The background to the SAA project relating to BnP Capital's involvement in the R15 billion debt consolidation and capital raising on behalf of SAA during the years 2015 and 2016 is as follows:

- 5.1. Sometime during February 2016, I received a phone call from a friend by the name of Rampa Rammopo (**Mr. Rammopo**) who advised me that he wished to introduce me to a friend of his, by the name of Mr. Masotsha Mngadi (**Mr. Mngadi**) for purposes of discussing and exploring the possibilities of doing business together.

- 5.2. I welcomed the suggestion by Mr. Rammopo and agreed for him to share my contact details with Mr. Mngadi. I subsequently received an email from Mr. Mngadi on the 9th of February 2016 stating that -

"Rampa Rammopo, a mutual friend referred me to you. I would like us to work together jointly by submitting a response to the Transactional Advisory RFI, which came to the market this past Sunday to perform this role for SAA. Timing is of essence, this RFI closes next Tuesday 16 February 2016."

- 5.3. Together with the email mentioned above, Mr. Mngadi also provided me with a copy of the Request for Information (RFI). Copies of the introductory emails from Mr. Mngadi together with the RFI are attached hereto as annexures **"PDM 1"** and **"PDM 2"** respectively.

- 5.4. I then arranged to meet in person with Mr. Mngadi wherein he informed me of his long standing client/consultant relationship with SAA. He also shared insights in relation to SAA's dire financial needs at the time, most of which were well publicized in the media. He indicated that he had managed to put together a financial solution whose key features could not be easily matched by South African local banks. He narrated how SAA was in the clutches of the South African local banks who were not helping SAA to get out of its financial difficulties, but who were strangling SAA with their unfavorable financial terms and conditions. He indicated

that his financial solution would assist SAA to turn around its financial situation. He indicated that BnP Capital had the kind of credentials that SAA had prescribed for in the RFI, which his entity, did not possess at the time. He proposed for BnP Capital, as an experienced corporate financier with a proven track record in the transaction advisory space should to join forces with his entity In Line Trading Proprietary Limited (**In Line Trading**). I had been aware through the media of how SAA was continuously under threat of being liquidated by the South African local banks due to long standing unpaid debts and the threat of National Treasury not extending any more guarantees to SAA. These are matters of public information which the Commission may verify with relative ease. This proposal made sense to me both from a commercial point of view as well as from the point of view of doing good for the country in the form of assisting a strategic asset like SAA to be financially viable. At this meeting, I agreed to form a joint venture with him for purposes of responding to the SAA RFI.

5.5. The nature of the joint venture to be formed was on the basis of the following considerations:

5.5.1. That Mr. Mngadi was approaching myself and BnP Capital on the basis of mine and the company's experience in the financial advisory and capital raising field, my Broad-Based Black Economic Empowerment (**BBBEE**) credentials, the credibility of my firm and competency and proven track

record to execute similar transactions/projects as the then intended project.

- 5.5.2. Due to the urgency within which matters were moving to meet the deadline of the RFI, BnP Capital concluded an unincorporated joint venture/ consortium with In Line Trading, which was not reduced to a written agreement. This didn't bother me much as this was still the RFI stage, which is usually followed by a Request for Proposal (RFP) stage.

5.6. On the other hand, Mr. Mngadi offered to be involved through his company namely In Line Trading on the basis that In Line Trading –

- 5.6.1. had knowledge of SAA and its financial needs;
- 5.6.2. had knowledge of the requirements of the RFI and would therefore provide input in the proposal for Transaction Advisory work as required by SAA;
- 5.6.3. would be the primary contact person between the consortium and SAA. This meant that In Line Trading would handle all the necessary communication with SAA on behalf of the consortium; and
- 5.6.4. his team of professionals at In Line Trading would get the Financial Advisory and Capital Raising experience through working with BnP Capital on the SAA project.

- 5.7. At the time of engaging in the above negotiations, I was not aware that Mr. Mngadi was employed or was involved with Nedbank Limited. I later discovered this when there was media outcry relating to the appointment of the consortium by SAA.
- 5.8. I feel it is important to elaborate my understanding of the nature and purpose of a consortium or a joint venture from a business perspective. Consortia or joint ventures are structures that are common in the transaction advisory space. This is because most projects would require skills and strengths that usually do not reside in a single entity. These could relate to past experience, BEE profile, differing disciplines, existing relationships, etc. In the past I have partnered with leading commercial banks, leading accounting & auditing firms, law firms, engineering firms, etc. The constitution of transaction advisory teams is sometimes prescribed by law, eg, Regulation 16 read with the PPP Manual set out when and how transaction advisors should be appointed to assist public entities to deliver PPP projects. This is largely due to the fact that, notwithstanding that a public entity may have employees who are paid to perform financial management services, there maybe financial transactions that require external experts who possess special skill and know how to design, procure and implement certain specialized projects. An experienced financial professional who specializes in capital raising and balance sheet optimization may always bring additional value to augment that team of permanent employees. I am spending time on this issue because the Commission has been presented with evidence in the past, including in Ms Stampel's evidence that suggests that transaction advisors are not required when

there are full time employees hired to perform financial management or treasury functions within a public entity. Whilst this may be true in certain instances, it doesn't establish an absolute truth in every scenario. In fact in Ms Stampel's testimony she confirms that she had to call banks to establish information that is as basic as the standard fees charged for capital raising. Any experienced capital raising professional would know this without having to call third parties. She also does not seem to understand the nature and purpose of cancellation fees in a fund raising exercise. She then projects her lack of familiarity with these basic concepts as an indication or evidence of *prima facie* wrongdoing on the part of BnP Capital. I will deal with this aspect later in this statement.

5.9. In connection with the proposal made to me by Mr. Mngadi:

5.9.1. BNP Capital and myself were to bring the Financial Advisory and Capital Raising credentials, experience, expertise and skill. We were further to bring good BBBEE credentials and business credibility; and

5.9.2. on the other hand, Mr. Mngadi and his company, In Line Trading would:

5.9.2.1. bring in aviation industry specialist knowledge;

5.9.2.2. nurture the relationship with client (SAA) by understanding its requirements, help us respond to the RFI sufficiently and attending to necessary communication and/or liaison with SAA; and

5.9.2.3. coordinating other parties to the consortium as and when necessary.

5.10. The above was my understanding of the nature of the joint venture to be forged with In Line Trading and Mr. Mngadi. It is worth mentioning that this is the standard practice in the financial services industry and it is for that reason that I agreed to form a joint venture with In Line Trading. Accordingly, we went on to prepare our bid in response to the invitation to tender.

5.11. On the 11th of March 2016, SAA issued an RFP under RFP number GSM 021/16 following the RFI, for the appointment of financial advisor to provide financial advice to SAA. On 20 March 2016, I received a letter of award from SAA informing me that BnP Capital had been awarded the contract for the provision of financial advisory services to SAA. The RFP and letter of award are attached hereto as **"PDM 3" AND "PDM 4"**.

5.12. During the process of preparing the bid and because of In Line Trading's value add to the consortium being the business relationship with SAA, Mr. Mngadi assumed a dominant role in respect of the following:

5.12.1. preparing the sourcing of funds proposal;

- 5.12.2. drafting relevant correspondence which I would, in most instances, sign off under the BnP Capital logo or letterhead and send off to client (SAA);
- 5.12.3. co-ordinate the input of the consortium members;
- 5.12.4. liaising directly with SAA and other parties; and
- 5.12.5. other necessary attendances.
- 5.13. Email correspondence as exchanged by myself, SAA and other persons which show the role of Mr. Mngadi as stated above are attached hereto as annexure **"PDM 1"**.
- 5.14. The RFI was for Transaction Advisory services and the completed bid was submitted during February 2016. Afterwards, there were few engagements with SAA particularly with regard to few requests for further information.
- 5.15. Subsequently, the tender was awarded to BnP Capital on the 25th of May 2016, see attached a copy of the letter of award as annexure **"PDM 5"**.
- 5.16. The initial letter of award was dated the 25th of March 2016. I later learnt that this was an error on the part of SAA. The correct date of award was the 25th of May

2016. A correct version of the letter was supplied by SAA on the 26th of May 2016.

I do not know why SAA made this error. See copy of email from SAA together with the corrected letter of award attached hereto as annexure "PDM 6" and "PDM 7".

5.17. After being awarded the tender as mentioned above, we commenced the project by doing financial analysis of the balance sheet of SAA and related work.

5.18. During the process of doing a financial analysis of SAA's balance sheet and meetings Mr. Mngadi held with SAA on the 25th and 26th of April 2016, we became aware of the fact that SAA could no longer wait for the financial advisory services to be completed as SAA was in dire need of funding because of, amongst other things:

5.18.1. the maturity dates of some of the loans granted to SAA was fast approaching e.g. the R7,3 billion debt which was maturing in June 2016;

5.18.2. lack of certainty in SAA's financial cash flow due to the various tenders and pricing of each loan; and

5.18.3. the risk of frequent roll over requests of loans and the costs associated therewith.

- 5.19. As a result of the above findings, Mr. Mngadi advised that the consortium had been asked to submit a proposal in this regard, and accordingly Mr. Mngadi prepared a proposal for the extension of our initial scope to include sourcing of funds on behalf of SAA.
- 5.20. A copy of Mr. Mngadi's email with the proposal of the change of scope is attached hereto as annexure **"PDM 8"** and I received it on the 29th of April 2016.
- 5.21. Thereafter, I proceeded to insert the draft proposal from Mr. Mngadi on BnP Capital's letterhead and forwarded it to SAA. A copy of the proposal is attached hereto as annexure **"PDM 9"**.
- 5.22. On the 12th of May 2016, Mr. Mngadi sent us (myself and my colleagues Mr. Irvine Moyo (**Mr. Moyo**) and Thamsanqa Netha) an email in which he proposed an upfront capital raising and arranging fee of 1,25%. A copy of the said email is attached hereto as annexure **"PDM 10"**.
- 5.23. Again, I inserted the draft proposal by Mr. Mngadi onto BnP Capital's letterhead and forwarded it to SAA. A copy of my letter is attached hereto as annexure **"PDM 11"**.



5.24. Subsequently and on the 25th of May 2016, we (myself and employees of BnP) received an award letter in respect of the sourcing of funds contract. A copy of the letter of award is referred to above and is marked as annexure **"PDM 5"**.

5.25. After receiving annexure **"PDM 12"**, Mr. Mngadi again wrote to Mr. Moyo, (an employee of BnP Capital) and myself wherein he noted that the award letter did not contain any provision for cancellation fees. He then advised that when sending our acceptance letter we should request a cancellation fee of 50% of all fees in respect of the proposal made to SAA. A copy of the said letter is attached hereto as annexure **"PDM 13"**. At the time, I welcomed Mr. Mngadi's proposal as a good suggestion and one that is a common feature of these types of transactions. It should be borne in mind that cancellation fees are meant to apply to a scenario where a service provider goes out to source funds and the client (SAA) doesn't utilise the funds that have been sourced for it by such service provider. In our case, Grissag had already furnished us with proof of funds and therefore failure on the part of SAA to utilise such funds would warrant a cancellation fee. The Commission should note that the service provider would ordinarily get its capital raising fee upon SAA utilising (drawing down) the capital that would have been raised. If SAA does not utilise the funds, the service provider would not earn their capital raising fee. It is for this reason that a cancellation fee would then be payable. In the absence of a cancellation fee the service provider would have worked (sometimes for months)

and delivered on its mandate but receive no remuneration therefor simply because the trigger for its remuneration, ie, utilisation of funds would not have occurred due to no fault of the service provider

5.26. Having read Ms Nhantsi's statement relating to what was going on internally at SAA, I can see how the issue of a cancellation fee would have raised questions to some at SAA. I only became aware of these internal dynamics and the possible involvement of Mr. Mngadi therein upon reading her statement. This, however, doesn't change the fact that as far as BnP Capital was concerned and as far as information shared with it at the time this was a legitimate proposal, and in line with standard market practice, both in terms of the concept itself and the amount charged in this case.

5.27. On the 26th of May 2016, Mr. Mngadi wrote to Mr. Moyo and myself providing us with 2 (two) Term Sheets from Grissag AG Proprietary Limited (**Grissag**) and requested us to forward them to SAA undercover of his draft letter. A copy of the said email is attached hereto as annexure "**PDM 14**".

5.28. On Tuesday the 31st of May 2016, Mr. Mngadi again wrote to myself and Mr. Moyo providing a draft motivation for the 50% cancellation fee. A copy of Mr. Mngadi's said email is attached hereto as annexure "**PDM 15**".

5.29. On the 10th of June 2016, Mr. Mngadi forwarded an email, which he received from Grissag, to myself and Mr. Moyo providing a draft memorandum of understanding with Grissag for our consideration. A copy of the said email is attached hereto as annexure "**PDM 16**".

5.30. On 14th of June 2016 Mr. Mngadi again provided a detailed correspondence to SAA motivating for the proposed cancellation fee and explaining the roles of BnP Capital and Grissag. A copy of the said letter is attached hereto as annexure "**PDM 17**".

5.31. Further and on the 21st of June 2016, Mr. Mngadi forwarded a questionnaire, which he received from Grissag, to be completed in respect of the involvement of Grissag in the transaction. In the said email he explained Grissag's role and instructed that it should be included in the consortium's further submission. A copy of the said email is attached hereto as annexure "**PDM 18**".

5.32. From the above email correspondences and draft letter prepared for BnP Capital by Mr. Mngadi to be sent to SAA, the following is clear:

5.32.1. that Mr. Mngadi was the sole liaison between the consortium and SAA;

- 5.32.2. that Mr. Mngadi solely prepared the sourcing of funds proposal and he was the one with information regarding client's requirements;
- 5.32.3. that Mr. Mngadi prepared letters to SAA and requested Mr. Moyo to place them under the BnP letterhead and forward them to SAA;
- 5.32.4. Mr. Mngadi proposed the cancellation fee and motivated for it;
- 5.32.5. Mr. Mngadi introduced and invited Grissag into the consortium as the funding partner; and
- 5.32.6. overall, Mr. Mngadi steered the process regarding the preparation of proposal for the sourcing of funds transaction and negotiation of the terms of appointment.
- 5.33. At face value, most of what Mr. Mngadi proposed was substantially in line with market practice and nothing raised any suspicion from our side. Perhaps, if we knew what internal SAA personnel knew, we would have been more cautious. We were completely blind sighted to the SAA internal dynamics at play, as evidenced by the statements of Ms Stampel and Ms Nhantsi. What is unfortunate is that, in our ignorance of these factors, damning assumptions appear to have been made about us having conspired with the various protagonists. Nothing could be further from the truth. We trust that this statement will clarify our stance as BnP Capital and will demonstrate our innocence.

5.34. It is important at this stage to note my submission that:

5.34.1. I have not at any stage and time had a direct relationship with any executives of SAA except within the context of submitting a bid as elaborated above;

5.34.2. I had no relationship with Grissag until it was brought into the joint venture by Mr. Mngadi. The statement of Mr. Van de Merwe bears testament to this. Although Mr. van de Merwe makes an incorrect assertion that I once telephoned him. This is untrue and I deal with it later in this statement. The statement of Ms Nhantsi also confirms that she has never met nor spoken to any employee of BnP Capital;

5.34.3. Mr. Mngadi was involved in the capital raising tender submissions; and

5.34.4. he handled most of the interactions with SAA officials in particular Mr. Silas Matsaudza (**Matsaudza**) of the SAA procurement division.

6. ENGAGEMENT WITH FSB AND CANCELLATION OF CONTRACTS

6.1. From the onset, it should be borne in mind that, whilst SAA required an FSB licence to be submitted, transaction advisory services and capital raising services are not

licensed by FSB. It is unclear to us why this was set out as a requirement. It is also telling that FSB has three categories of FSP licenses, providing for different categories of licensed activities, SAA did not specify which category license was required. The inclusion of an FSP license was generally viewed by the market as having been a result of SAA not understanding that the services that they sought to procure were not licensed activities. Nevertheless, this remained a tender requirement and had to be complied with. I will not be surprised if bidders submitted different sorts of FSP licenses just to comply with this unusual requirement.

- 6.2. Notwithstanding what is set out above, at the time when BnP Capital submitted its tender for the provision of Transaction Advisory Services to SAA, it was in possession of a valid FSB licence . This license had been procured by BnP Capital not for its core business, financial advisory, capital raising and investing as principal, but rather for a private equity business which BnP Capital was contemplating setting up in future. Setting up and managing a private equity fund is indeed a licensed activity. A copy of the FSB licence held by BnP Capital at the time of tender submission is attached hereto marked annexure "PDM 19". An impression has been wrongly created by both Ms Nhantsi and Ms Stampel that our license was cancelled or suspended at the time of our tender submission. This is simply untrue.



6.3. However, on the 18th of March 2016 I received a letter from the FSB giving notice of its intention to suspend BnP Capital's licence on the grounds that *"the key individual does not meet or no longer meets the fit and proper requirements applicable to the licensee and/or key individual"*.

6.4. In an attempt to rectify the issues complained about by the FSB I did the following:

6.4.1. On the 19th June 2016, I made an application for exemption from writing the regulatory examinations. However, this application was denied on the 11th August 2016;

6.4.2. On 12 August 2016, I requested a profile change to replace myself with Mr. Samuel Matimba (**Mr. Matimba**) as the key individual (as he was in possession of the required certificate to qualify as a key individual). However, Mr. Matimba withdrew his nomination on the 17th August 2016 because he wanted us to use his entity as opposed to him acting as a key individual;

6.4.3. On 1st September 2016 I attempted to request a removal of the category II licence from BnP Capital's profile but the request was unsuccessful;

6.4.4. Further I attempted to write the required examinations several times but I was not successful due to amongst other things:

6.4.4.1. lack of focus due to emotional stress caused by the negative media reports;

6.4.4.2. personal problems e.g the child custody dispute I was trying to resolve at the time;

6.4.5. Consequently, the licence was withdrawn on the 3rd November 2016.

6.5. When the FSB licence (or notice to suspend was given) was suspended some time in April 2016 I informed SAA of the suspension per letter dated 13 May 2016 attached hereto as annexure **"PDM 21"**.

6.6. At the same time there was a lot of negative media publicity against myself and BnP Capital and I tried my level best to explain the true state of affairs.

6.7. Around July 2016 SAA notified me that it intended to cancel BnP Capital's appointment as both Transaction Advisor and capital raiser if I failed to rectify the dispute with FSB. The irony of this is that the termination of our services was supposedly due to our lack of a license to perform an unlicensed service, just because SAA (out of being ill-informed) had put this as a requirement in its RFP.

- 6.8. Unfortunately, as I have indicated above my attempts to resolve the licence issue with FSB were unsuccessful and as a result SAA proceeded to cancel the Transactional Advisory and Capital Raising contracts on the 20th July 2016.

7. THE RULE 3.3 NOTICES AND VARIOUS WITNESS STATEMENTS IN WHICH MY NAME WAS MENTIONED

From the background of what transpired as narrated above, I now turn to address the issues as pointed out in each rule 3.3 notice served against me as well as other issues arising out of allegations made in the statements and/or affidavits of Ms Stimpel, Ms Nhantsi and Mr. van der Merwe.

8. RULE 3.3 NOTICE DATED THE 17TH OF MAY 2019 AND MS STIMPEL'S STATEMENT

- 8.1. On the 17th May 2019 I was served with a rule 3.3 notice together with Ms Stimpel's witness statement.
- 8.2. In terms of the rule 3.3 notice, the Commission invited me to respond to allegations made in Ms. Stimpel's affidavit dated the 16th May 2019. The said allegations, in

the Commission's view *"implicates, or may implicate me"* in unlawful, illegal or improper conduct in the respects as set out in clause 4 and subparagraphs thereto of the said rule 3.3 notice.

8.3. I respond to the issues in paragraph 4 of the rule 3.3 notice as follows:

8.3.1. **In re: 4.1** *"BnP Capital (of which you are a director) sought on excessive fee of 3% for sourcing the funds for SAA in circumstances where commercial banks would have charged a maximum of 0,5% on such transaction (paragraph 83 read with paragraph 100 of the affidavit)".*

Response: Firstly, I wish to point out that the issue of 3% fee for raising capital is not mentioned in paragraph 3 but rather in paragraph 84 and 100. According to my records the fee which was proposed was 1,5%. It is unclear to me where Ms Stimpel gets 3% from. The fee of 1.5% is actually on the lower to mid of what the market charges. Our proposal was a reasonable fee because of the following reasons:

- 8.3.1.1. it is a normal rate considering that private funders generally charge from 1,5% to 5%; and
- 8.3.1.2. it is incorrect for Ms Stimpel to assume that banks charge a rate of 0,5% without considering the fact that the bank rate of 0,5% is not the total fee charged by banks because banks add other charges which will make the charges exceed the 1,5% fee. The

proposed 1,5% by BnP Capital was the total fee and no further charges were to be included as is the case with bank rates. I work with banks and other funders in capital raising projects regularly and know the market standards quite well. The Commission may verify the applicable standards on its own as it is easily available from engaging with market experts in this area. Whilst I respect the number of years that Ms Stampel has spent in the financial management role, it is evident that she has very limited experience in capital raising. In her own testimony at the Commission presented on 13 June 2019, she repeatedly told the Commission that she (and SAA) have always worked with the big 5 banks. She tells the Commission that they SAA (and her) deliberately excluded other potential funders because they had long established relationships with the big 5 banks. In her own words, albeit inadvertently, she confirms that she has not done the kind of capital raising that SAA sought through the tender process that we responded to. She was asked under cross examination how SAA ensured that the process remained competitive when engaging with the big 5 banks. Her response was that these banks always competed with each other. She is referring to banks whose pricing behavior has been subject of public outcry and investigations by public bodies such as the Competition Commission. An

experienced capital raising expert (which she claims to be) would have known better than this.

8.3.1.3. **In re: 4.2** *"You motivated for a cancellation fee on the sourcing of funds for SAA on the same day that BnP Capital was appointed to source these funds (paragraph 108 of the affidavit)".*

Response: As already mentioned above under the heading "background" the motivation for requesting a cancellation fee was done by Mr. Mngadi. He prepared the motivation and I merely forwarded it to SAA. Nevertheless, we had no objection to the amounts he had proposed as they were in line with market practice. It was only payable in the event we had successfully raised capital for SAA and it chose not to use such capital. Further, the cancellation fee was a proposal which could either be accepted or rejected by SAA.

8.3.1.4. **In re: 4.3** *"You adjusted the cancellation fee from 50% of your total fees on the sourcing of funds to R49,9 million without explanation for this adjustment (paragraph 108 and 120 of the affidavit)".*

Response: refer to paragraphs 12.3.1.3 above. Having read Ms Nhantsi's statement, one cannot ignore the fact that when one has the full picture including the discussions that appear,

according to her statement, to have been taking place between Mr. Mngadi and/or SAA employees it does look suspicious. However, the truth is BnP Capital was not privy to this inside information until it was shared with us through Ms Nhantsi's statement. Hindsight gives the proverbial 20/20 vision, but we were blinded to this vision at the time.

8.3.1.5. **In re: 4.4:** *"When BnP Capital was appointed to source the funds for SAA you did not disclose to SAA that the Financial Services Board (as it was then) had suspended BnP Capital's FAIS licence (paragraph 147 of the affidavit read with annexure CSB 63)".*

Response: This is not true. As already mentioned in paragraph 7 above. I informed SAA about the suspension of the FSB licence in May 2016. I explained the steps I was going to take to remedy the cause for the suspension of the licence.

8.3.1.6. **In re: 4.5** *"In BnP Capital's bid to provide transaction advisory services to SAA you misrepresented to SAA that BnP Capital was in a consortium/joint venture with In Line Trading 10 (Pty) Ltd and that Mr. Brendon King was its representative (Annexure CSB20)".*

Response: This is not true. There was no misrepresentation in any shape or form. As already explained in the background

above, In Line Trading was introduced as part of the consortium by Mr. Mngadi as his representative company. Thereafter, Mr. Mngadi provided all the relevant particulars of In Line Trading including its representative. In particular, in an email dated 13 February 2016 Mr. Mngadi requested Mr. Moyo to delete all reference to his name in the bid submission and replace it with "Brandon King". A copy of the email is attached hereto marked annexure "**PDM 22**"

8.3.1.7. **General:** I trust that the Commission has taken note of how many times Ms Stimpel told the Commission that she (on behalf of SAA) had sought to close the fund raising market to benefit only the big 5 banks. In her own words, they did not even allow the likes of Capitec Bank, Sanlam, etc to participate in this lucrative market. The admission that SAA was choking from debt owed to the big 5 banks, even in the face of the danger that these banks could liquidate SAA, and that she did not want to go out and seek better terms elsewhere is telling. I wish the Commission could have probed this further during her testimony.

8.3.1.8. The message is also clear that small black owned credible financial services firms like BnP Capital and many others, have no future in this country if public entities will openly squeeze

them out deliberately, even where they may offer terms that might be of benefit to such public entities – better than the big 5 local banks.

8.3.1.9. With the private sector being such a tough market for small black owned financial services firms, where do these firms and their professionals go if public entities adopt the stance espoused by Ms Stimpel, to simply not open up the market, but to deal with the big 5 banks only.

8.3.1.10. A question has to be asked if Ms Stimpel was truly acting in the best interest of SAA. Is this not another form of state capture?

8.3.1.11. I am not turning a blind eye to the possibility or even the probability that certain individuals (within and outside SAA) may have wanted to hijack what was an honest bid from BnP Consortium or to use BnP Capital to sanitize their nefarious intentions. I am simply saying that BnP Capital should not be judged on the basis of conjecture but rather on the basis of what was known to BnP Capital at all material times. On this test, BnP Capital will be shown to have had no knowledge of any wrongdoing or nefarious intentions. BnP Capital cannot be guilty by association.

9. THE RULE 3.3 NOTICE DATED THE 3RD OF JUNE 2019 AND MS NHANTSI'S STATEMENT:

9.1. On the 3rd of June 2019 I was served with another Rule 3.3 Notice in respect of Ms Nhantsi's statement. A copy of the statement together with the annexures thereto was attached.

9.2. In terms of the said Rule 3.3 notice I was advised that the commission intends to lead the evidence of Ms. Nhantsi on Tuesday the 18th of June 2019 and that her evidence could implicate me or possibly implicate me in unlawful, illegal or improper conduct in the respects as set out in paragraph 4 of the Notice together with the subparagraphs thereto.

9.3. I respond to the issues in paragraph 4 as follows;

9.3.1. **In re: 4.1:** *"You conspired with the Chairperson of the board South African Airways SOC Limited, and Mr. Masotsha Mngadi, to secure a cancellation fee of R49,9 million from South African Airways SOC Limited (paragraphs 41 and 44 of the statement)".*

Response: This is not true. Whilst I was not privy to the discussions that were taking place internally and/or Mr. Mngadi as suggested my Ms Nhantsi, and cannot admit or deny same, I deny Ms Nhantsi's above

allegations in so far as they implicate BnP Capital or any of its employees, and in amplification submit the following:

9.3.1.1. Firstly, that I never had a direct personal relationship with the chairperson of the board of SAA to put in such a position as to enable me to conspire with her as alleged; ▪

9.3.1.2. As already stated in the background given above, I was not responsible for liaising with SAA officials. Mr. Mngadi was the liaison person and he is the one who suggested and prepared the motivation for the cancellation fee;

9.3.1.3. I never discussed the issue of the cancellation fee with anyone at SAA prior to the letter requesting the cancellation fee being submitted to SAA; and

9.3.1.4. Nonetheless, and as I have already mentioned above the cancellation fee was discussed with Mr. Mngadi. We did not know that his input to such discussions had been discussed with anyone at SAA. We respected his guidance based on an innocent understanding that he understood the client better. In any event the concept and the amounts were within market standards.

9.3.2. **In re: 4.2:** *"You used information supplied to you unlawfully by the Chairperson of the Board of SAA to motivate for payment of the cancellation fee (paragraph 46 of the statement)":*

Response: I have never received any information from the Chairperson of the Board of SAA. I do not know if she communicated with Mr. Mngadi. Based on what has been shared by Ms Nhantsi and Ms Stimpel, I cannot dispute that Mr. Mngadi may have spoken to the Chairperson of the Board. These revelations were not known to me prior to reading their statements. As already explained above Mr. Mngadi was the only person responsible for liaising with the SAA officials. All letters and motivations which were sent to SAA in connection with the cancellation fee were prepared by Mr. Mngadi who then requested us (BnP Capital officials) to place them on our letterhead and forward them to SAA. He was in control of everything relating to correspondences with SAA and motivations made to SAA. I have never had any personal relationship or engagements with Ms Dudu Myeni (**Ms. Myeni**).

9.4. Further, I respond to other issues raised in Ms Nhantsi's statement which appear to be relevant as follows:

9.4.1. **In re: paragraph 50** – I deny the allegation that BnP Capital misled the Global Supply Chain team when they submitted the FSB licence by not declaring that they had issues with the FSB. In explanation I submit that

at the time the licence was submitted it was valid and the issues relating to FSB were with regard to the need for me to attend to a new requirement of passing exams to qualify and continue to be the key individual. These requirements were being attended to but unfortunately things did not work according to plan and when I got a notice to suspend the licence from the FSB on the 15th of March 2016 I informed SAA within a reasonable time of such circumstances prevailing.

9.4.2. **In re: paragraph 51** – When the FSB licence was suspended on the 26th of April 2019 I took further steps to appeal the suspension and had hoped the appeal would be lifted

10. RULE 3.3 NOTICE DATED THE 07TH JUNE 2019 AND MR. VAN DER MERWE'S STATEMENT

10.1. On the 07th of June 2019 I was served with a further rule 3.3 notice in respect of Mr. van der Merwe's sworn statement. A copy of Mr. van der Merwe's statement together with the annexures thereto were attached to the notice.

10.2. In terms of the said rule 3.3 notice I was informed that the commission intend to lead the evidence of Mr. van der Merwe on Friday the 14th June 2019 or any later

date to be advised if that becomes the case. Further, I was warned that the evidence of the said Mr. van der Merwe could implicate me or could possibly implicate me in respects as set out in paragraph 4 of the notice.

10.3. I therefore respond to the issues in paragraph 4 of the notice as follows:

10.3.1. **In re: 4.1** *"As a director of BnP Capital (Pty) Ltd you sought to procure payment of a cancellation fee from South African Express Airways SOC Limited or repayment of "any costs that Grissag had incurred during the ___ interaction for funding with SAA" without any mandate from Grissag to do so (paragraph 31 of the statement read with annexures "VDM8" to "VDM10").*

Response: As already mentioned in preceding paragraphs relating to my responses made to similar allegations by Ms Nhantsi, I reiterate that:

10.3.1.1. Grissag was introduced to the consortium by Mr. Mngadi;

10.3.1.2. Thereafter, he prepared all correspondences relating to the motivation for payment of all costs incurred by Grissag and provided them to BnP Capital to put them under the BnP Capital letterhead and sent to SAA.

10.3.1.3. the above is consistent with my submission that all negotiations, communications, interactions and correspondences between Grissag and SAA were prepared and controlled by Mr. Mngadi.

10.3.1.4 Further the above *modus operandi* was in line with the split of roles of members of the consortium as alluded to in my introductory background.

10.3.1.5. In any event, it is my understanding that the cancellation fee would have been payable to the capital raising team and not Grissag. The cancellation fee, by its very nature is influenced by many factors which may include, Grissag's fees in a project. As such, while the cancellation fee may be influenced by Grissag, the assertion that it was sought on behalf of Grissag is incorrect.

10.4. Further, I respond to other issues in Mr. van der Merwe's sworn statement which appear to be relevant as follows:

10.4.1. **In re: paragraph 21** – I did not call Mr. van der Merwe in my capacity as the CEO of BnP Capital and advised him about BnP Capital's appointment. As already mentioned above, Grissag was introduced to the consortium by Mr. Mngadi and I suppose Mr. Mngadi should be the one who contacted Grissag and requested him to be part of the consortium.

10.4.2. To illustrate the above, I attach hereto an email correspondence from Mr. Mngadi to Irvine Moyo (**Mr. Moyo**) who previously worked in my office which is dated 22 April 2016 in which Mr. Mngadi provided Mr. Moyo with a draft letter (to be placed on BnP Capital's letterhead) and sent to Mr. van der Merwe. In the said email Mr. Mngadi instructed BnP to advise Mr. van der Merwe about the appointment of BnP Capital and the need for the participation by Grissag. The said email is attached hereto as annexure "PDM23".

10.4.3. **General:** It does appear to me that Mr. van der Merwe is trying desperately to hide Mr. Mngadi's role in the relevant transactions and in the process to create an incorrect impression that he always dealt with BnP Capital and/or myself. The emails that I have attached prove the lies in his assertions. The question he needs to answer is why he is prepared to lie to protect Mr. Mngadi.

10.4.4. BnP Capital and myself went into the SAA transactions with a clear conscience and no unlawful intentions, and we are prepared to answer all questions truthfully and without any fear, as we hereby do.

11. MEETING OF THE 14 MAY 2019 AND QUESTIONS RAISED BY ADVOCATE KATE HOFMEYR ON BEHALF OF THE COMMISSION

11.1. On the 14th May 2019 I was invited to a meeting at the Commission's office which I attended on the same day. At the meeting there was Advocate Kate Hofmeyr (**Adv. Hofmeyr**) and other officials of the Commission.

11.2. During the meeting Adv. Hofmeyr posed a number of questions which I noted for purposes of responding to them at a later stage.

11.3. I therefore respond to the said questions hereunder, only to the respect that they have not already been addressed fully in this statement above:

11.3.1. *Had Mr. Mahlangu passed the regulatory examinations which were necessary at the time BnP Capital bid was submitted:*

Response: Mr. Mahlangu had not yet passed the examination. However, he was in the process of trying various ways to comply with the requirements by attempting to write examinations and engaging FSB to resolve the problem.

11.3.2. With regard to the above, the commission promised to provide all correspondence between BnP Capital and FSB relating to the exams which are in its possession. However, the said correspondences have not been received to date.

11.3.3. *Is Mr. Mahlangu the key individual and the representative of BnP Capital in terms of the FAIS?*

Response: Yes. This subsisted for the period that the license was in place.

11.3.4. The Commission promised to provide email correspondence from Mr. Moyo to SAA in which Mr. Mahlangu was copied. The said emails have not been received to date.

11.3.5. *Do you have a track record for fund raising work?*

Response: Yes. Please refer to the BnP company profile and the experience of Mr. Mahlangu. BnP Capital has raised funds for both private and public entities as listed in the company profile as stated in paragraph 2.5 above.

11.3.6. *What was the nature of the joint venture with In Line Trading?*

Response: In Line Trading is the company that was brought in by Mr. Mngadi as his company. As already explained in the background, In Line Trading or Mr. Mngadi was responsible for compiling the bid, liaising with SAA, preparing all letters, proposals and relevant documentation. Mr. Mngadi would prepare all drafts and request BnP Capital to put them under its letterhead and forward to SAA. In Line Trading under the disguise of Mr. Mngadi was in control of all processes. On the other hand,

BnP Capital's role was to provide its experience, BEE credentials, FSB licence and credibility.

11.3.7. *Why is there no reference to In Line Trading in correspondences?*

Response: It is common where parties work together as part of a transaction advisory team to have one entity that takes the lead role. Whilst BnP Capital was the lead consortium partner due to its credentials, the person who handled communication on behalf of the Consortium was Mr. Mngadi. This is for reasons already set out herein above. Mr. Mngadi was the representative of In Line Trading and he would formulate correspondences and then instruct BnP Capital employees to place such correspondences and documents under BnP Capital's letterhead and logo and to transmit the said documents under BnP Capital's email. Various emails prove that this was indeed the method that was used. He had direct contact to my juniors, in particular Mr. Moyo, whom he instructed to perform tasks on a regular basis. I remained copied on most correspondences.

11.3.8. *Why is it that only the financials of BnP Capital were submitted and not for In Line Trading?*

Response: In Line Trading had no trading experience.

11.3.9. *When did the relationship with Mr. Mngadi start and end?*

Response: the relationship started some time in February 2016 when I got introduced to Mr. Mngadi by Mr. Rammopo. It ended some time during April 2017 when Mr. Mngadi requested me to do some affidavits for him. I will explain this further under miscellaneous.

11.3.10. *What was the relationship between BnP Capital and Mr. Mngadi?*

Response: the relationship is as per the explanation under background. It was strictly in connection with submission of the SAA bid and communications related thereto.

11.3.11. *What is the relationship between yourself and Mr. Mngadi?*

Response: Same as above.

11.3.12. *When exactly was BnP Capital appointed to provide Transaction Advisory Services?*

Response: BnP Capital was appointed to perform Transaction Advisory Services on the 20th of April 2016. The 20th of March 2016 was a typing error on the part of SAA and this has already been explained in detail above.

11.3.13. *What services did BnP Capital provide to SAA?*

Response: some preliminary work which involved analysis of SAA financials and its debt profile. However, no fee was paid by SAA for the

services. It quickly became clear that SAA needed to focus on capital raising as this had become more urgent.

11.3.14. *Was BnP Capital paid for the services?*

Response: No. Allegations have been made even in the media that BnP Capital was paid by SAA. This is untrue.

11.3.15. *BnP Capital was appointed to provide Transaction Advisory services and thereafter to source funds. When did BnP Capital start to source funds?*

Response: work related to sourcing of funds commenced immediately after BnP Capital received the appointment letter.

11.3.16. *The initial bid was for Transaction Advisory services. Did you at any point send another proposal to do capital raising?*

Response: Yes, the capital raising proposal was submitted around April 2016.

11.3.17. *What was the relationship between Grissag and BnP Capital?*

Response: Grissag as already stated in preceding paragraphs was introduced to the consortium by Mr. Mngadi and its role was to raise capital abroad.

11.3.18. *When did interaction between BnP Capital and Grissag start?*

Response: After the appointment letter was received and Mr. Mngadi introduced Grissag as the capital raising partner.

11.3.19. *Did SAA facilitate the introduction of Grissag to BnP Capital?*

Response: As already mentioned above Grissag was introduced to BnP Capital by Mr. Mngadi and as such I do not know how Mr. Mngadi knew or got to know about Grissag.

11.3.20. *How do you justify the 1,5% fee for capital raising?*

Response: Per experience, an average capital raising fee range from 1,5% to 5%, with 2% being the median fee charged for most mandates. Banks can charge lower than this, but usually include other fees that bring the total cost to within the same range. However, in the SAA transaction the fee that was proposed was 1,25%.

11.3.21. *Explain the 1% commitment fee referred to in the term sheet as payable for each draw down?*

Response: Commitment fees are standard fees that are charged by lenders, including the big 5 banks. It is meant to cover the costs incurred by the lender in keeping the funds committed to the Borrower. The funding to be provided to SAA was intended to be paid in tranches. Therefore, the 1% was a commitment fee to be paid on each draw down. These are separate to cancellation fees, and they are not a duplication of the latter as they serve separate purposes.

11.3.22. *What was BnP Capital's understanding of the position regarding commitment fee i.e whether it was payable to Grissag or BnP Capital?*

Response: Initially BnP Capital thought the commitment fee would be payable to BnP Capital and Grissag as a consortium but later it became clear after deliberations that Grissag intended the commitment fee to be payable to it alone. This was acceptable to us as we were charging capital raising fee which would be payable if SAA utilized the funds or a cancellation fee which would be payable if SAA did not utilize the funds after we had procured such funds for SAA.

11.3.23. *Did you know who the financial backer to Grissag was?*

Response: I learned from the letters provided by Mr. Mngadi in motivation for the cancellation fee that Grissag was supported by European banks. Besides that, I had no further knowledge whom their backers were.

11.3.24. *The Commission promised to provide correspondence relating to allegations by BnP Capital that Grissag called investors to meet in Germany, but the said correspondence has not been provided to date.*

11.3.25. *Why did BnP Capital raise the issue of cancellation fee on the day of the award?*

Response: The proposal for the cancellation fee was prepared by Mr. Mngadi who then requested us to put it on our letterhead and transmit same to SAA. Nothing seemed untoward to us about this proposal

because (1) it would only be payable if we had delivered the funds and (2) it was an omission in the first place that the cancellation fee was not discussed upfront. It should be borne in mind that the consortium had already procured a term sheet from Grissag at this stage. This means that the risk to the consortium crystalized at the time that it became clear that SAA was about to sign the term sheet and the Consortium needed to cover its capital raising risk at that time.

11.3.26. *Why did you not inform SAA on the 25th May 2016 when you accepted the award that your licence had been suspended?*

Response: As already mentioned above SAA was informed of the suspension of the licence. Nonetheless, it should be understood that a capital raising exercise does not require an FSB licence as it is not regulated by Financial Advisory Intermediary Services Act No.37 of 2002.

11.3.27. *Is it normal for you to raise the cancellation fee on the date of award?*

Response: The motivation for the cancellation fee was prepared by Mr. Mngadi. I therefore do not know what the reason for him was to ask for it immediately after the award.

11.3.28. *What relationship did Mr. Mahlangu have with the board of SAA at the time?*

Response: Relations with SAA were handled by Mr. Mngadi and BnP Capital had no direct relations with SAA except for forwarding documents as per Mr. Mngadi's instructions.

11.3.29. *Did you engage with the likes of Ms Myeni, Kwinana and Dr Tambi?*

Response: No, as stated above.

11.3.30. *Did you have any relationship with the SAA executives e.g Dr Tambi and Ms Myeni?*

Response: BnP Capital had no relationship with SAA executives and it had no particular knowledge of the extent of the relationship Mr. Mngadi had with the executives save to state that Mr. Mngadi liaised with SAA.

11.3.31. *What role did Mr. Mngadi play in communication with Ms Nhantsi and was he an employee of BnP Capital?*

Response: Mr. Mngadi prepared all drafts of correspondence sent to Ms Nhantsi. He was responsible for liaising with SAA. He was not an employee of BnP Capital but was involved in the consortium as In Line Trading and the main driver of the project.

11.3.32. *How did you arrive at the revised amount of R49.9 million for the cancellation fee when the initial proposed amount was 50% of the fees?*

Response: As already mentioned above Mr. Mngadi proposed the amount and prepared the draft motivation letter for the cancellation fee and requested my office to put it on the letterhead and send it to SAA.

11.3.33. *Was the cancellation fee of R49 million approved by SAA?*

Response: No

11.3.34. *Was BnP Capital paid any funds at all by SAA, and if so, what was it for?*

Response: No funds were paid to BnP Capital by SAA at all.

12. MISCELLANEOUS ISSUES

12.1. In a subsequent telephone conversation between my attorneys and Mr. Kunene, an investigator at the Commission, Mr. Kunene asked that I also deal with the question of whether I know Ms Dudu Myeni's son. I don't remember the name that was mentioned and neither do my attorneys. I confirm that on or about February 2019 I received a telephone call from a gentleman stating that he is Ms. Myeni's son. He called to request a meeting to present proposals for business opportunities relating to one of the companies in which BnP Capital has an interest in. I then referred him to the chief executive officer of this company and have never communicated with him since. .

12.2. I find it vital to bring to the attention of the Commission that some time during 2017 Mr. Mngadi requested me to sign an affidavit in terms of which I stated that Mr. Mngadi was not in BnP Capital's employ and that he did not play a dominant role in the preparation of the proposals to SAA.

12.3. I signed the affidavit but have now realized that in the said affidavit he was requesting me to allege that he was not involved in the SAA bid.

12.4. I signed the affidavits ignorantly and in hindsight I realised that I was naive, and I regret doing that. It was merely a failure on my part to apply mind carefully to his request at that time.

13. CONCLUDING REMARKS

13.1. As outlined above, I entered into a joint venture with In Line Trading represented by Mr. Mngadi. Mr. Mngadi had knowledge of the deal and he assumed a leading role in compiling the sourcing of capital portion of the contract and further negotiations up to and until award and subsequent cancellation of the project.

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13.2. Our role as BnP Capital was to provide transaction expertise and execution. I was not involved in any negotiations, communications, liaison with SAA and neither was I in a position to collude with anyone because I had just been introduced to Mngadi by a friend, then to the SAA bid and Grissag by Mngadi.

13.3. I did my level best to engage with FSB to comply with its requirements but unfortunately my efforts were in vain. I never intended to misrepresent my status with FSB to SAA and as explained above I informed SAA of my situation.

13.4. I am a businessman with integrity and a passion to be involved in projects that are intended to advance the objectives and wellbeing of the nation and shall continue to do so.

13.5. This statement has been prepared under intense pressure as I had to answer three statements from different witnesses with a lot of annexed documents to be considered. Nevertheless, I have done my level best to assist this commission in providing clarity on what transpired, answering a long list of the Commission's questions and sharing my side of the story.

13.6. I remain available to provide any further clarifications that the Commissions may seek.

DATED at SANDTON ON THIS, THE 14 day of JUNE 2019.


PHOLISANI DANIEL MAHLANGU



Gomolemo Mabokela

From: Masotsha Mngadi <mngadi.masotsha@gmail.com>
Sent: Thursday, 11 February 2016 08:16
To: Daniel Mahlangu
Cc: Irvine Moyo; thami@bnpcapital.co.za
Subject: Re: Request - RFP - Transaction Adviser - SAA Fund Raising & Balance Sheet Restructuring + RFI Airchefs

Good morning Thami,

I have been referred to you by Daniel Mahlangu.

I request for us to please meet sometime this afternoon, your diary permitting, regards the SAA transaction advisory RFI.

Please indicate if this is okay, and if yes, what time suits you.

I can come through to your premises. Please let me know of your physical address details.

Looking forward to your response.

Thanks, kindest regards.

Masotsha Mngadi
Mobile phone number - 082 902 9490

On 10 Feb 2016 11:10 PM, "Daniel Mahlangu" <daniel@bnpcapital.co.za> wrote:

Dear Masotsha,
I trust you are well.

I will suggest that you meet with my colleague ccd above given the tight deadlines. He is got the RFI doc.

His contact details are as follows:

Thami Netha
+27 (82) 7776217

Regards

Daniel Mahlangu
BnP Capital
0762358504

On 09 Feb 2016, at 9:31 PM, Masotsha Mngadi <mngadi.masotsha@gmail.com> wrote:

Thanks for your kind response. We will discuss strategy regards this assignment on your return.

In the interim, I am preparing all the formal documentation for submission, that is, the tax clearance certificate, and the like. I trust that you will do likewise.

Looking forward to working with you for a potentially mutually beneficial assignment.

Have a productive trip.

A good evening to you.

Kindest regards.

Masotsha

On 09 Feb 2016 21:23, "Daniel Mahlangu" <daniel@bnp capital.co.za> wrote:

Hi Masotsha,

I would like to acknowledge receipt of your email. I am keen for us to submit a joint bid on this assignment.

Unfortunately, I will only be available on Thursday morning. In the meantime, we will start working on the proposal.

Regards

Daniel Mahlangu
BnP Capital
0762358504

On 09 Feb 2016, at 7:30 PM, Masotsha Mngadi <mngadi.masotsha@gmail.com> wrote:

Heita Dan,

Rampa Rammopo, a mutual friend, referred me to you.

I would like us to work together by jointly submitting a response to the Transactional Advisory RFI, which came to market this past Sunday, to perform this role for SAA.

Timing is of the essence, this RFI closes next Tuesday, 16 February 2016.

I understand that you are currently in George.

Attached under cover hererof please find the Transactional Advisory RFI, for your perusal. When you are back in Sandton tomorrow morning, kindly may we meet to discuss this opportunity.

Looking forward to your response.

Kindly acknowledge receipt of this email. In your acknowledgement to me, kindly include your contact details.

Thanks, kindest regards.

Masotsha Mngadi
Mobile phone number - 0829029490

----- Forwarded message -----

From: "Silas Matsaudza" <SilasMatsaudza@flysaa.com>

Date: 08 Feb 2016 12:24 PM

Subject: RE: Request - RFP - Transaction Adviser - SAA Fund Raising & Balance Sheet Restructuring + RFI Airchefs

To: "Masotsha Mngadi" <mngadi.masotsha@gmail.com>

Cc:

<116020812242403429.jpg>

Dear Masotsha

Find attached the RFI documents as requested.

Kind regards

Silas Matsaudza | Commodity Manager | Global Supply Management

<image001.jpg>Mobile: +2783-462-2859 | <image002.jpg>Phone: +2711-978-1629 |
<image003.jpg>Fax: +2711-978-3115 | <image004.jpg>E-Mail:
SilasMatsaudza@flysaa.com

Room 403, Floor 4, Block A, Airways Park, OR Tambo International- Johannesburg-
SOUTH AFRICA

From: Masotsha Mngadi [<mailto:mngadi.masotsha@gmail.com>]

Sent: 08 February 2016 12:18 PM

To: Silas Matsaudza

Subject: Request - RFP - Transaction Adviser - SAA Fund Raising & Balance
Sheet Restructuring + RFI Airchefs

Good day Silas,

Kindly email me the the RFP + RFI as described above. For the payment of the documents, kindly let me know how to pay for them and the amount to be paid.

Thank you in anticipation.

Kindest regards.

Masotsha Mngadi

<116020812242404129.png>

<GSM_074_15_Request_for_Information_for_possible_management_outsourci
ng_business_partnership_or_ownership_with_SAA_on_Air_Chefs_SOC_Ltd.docx>



**SOUTH AFRICAN AIRWAYS**

A STAR ALLIANCE MEMBER

South African Airways (SAA) Ltd
(Reg. No 1997/022444/07)
OR Tambo International Airport
Republic of South Africa
Hereinafter referred to as ("SAA")

REQUEST FOR INFORMATION (RFI)

Reference: RFI-GSM010/16 – Request for information on Transaction Advisory Services.

SAA hereby extends an invitation to interested organisations and/or individuals to provide information on transaction advisory services on options to augment funding proposals to grow its business and deliver sustainable profitability and shareholder value in line with the Long Term Turnaround strategy.

Documents will be available for downloading from 08 February 2016 and can be accessed using the following link:

<http://www.flysaa.com/za/en/footerlinks/aboutUs/saa-tenders.html>

Should you encounter any technical difficulties please contact Mandy Coetser at e-mail address: MandyCoetser@flysaa.com.

Interested parties are encouraged to send their questions and clarifications related to the RFI documents in writing to SilasMatsaudza@flysaa.com. All queries and clarification requests have to be submitted before 12h00, 12 February 2016.

Responses must be DEPOSITED IN THE TENDER BOX SITUATED AT, SOUTH AFRICAN AIRWAYS, AIRWAYS PARK, JONES RD, KEMPTON PARK or emailed to Tenders@flysaa.com.

The submission deadline is Tuesday, 16 February 2016 at 11h00am, South African time (GMT+2)

No late submissions will be considered.

PD



A STAR ALLIANCE MEMBER 

**T REQUEST FOR PROPOS L:
APPOINTMENT OF A TRANSACTION ADVISOR TO
PROVIDE FINANCIAL ADVICE TO S**

BID NO: RFP GS 021/16

PD



SOUTH AFRICAN AIRWAYS (SOC) LIMITED

REGISTRATION NO.: 1997/022444/30

OR TAMBO INTERNATIONAL AIRPORT
(Hereinafter referred to as "SAA")

1. INVITATION TO BID

You are hereby invited to submit a proposal for the following:

RFP NUMBER: GSM 021/16

RFP DESCRIPTION: Appointment of a Transaction Advisor to provide Financial Advice to SAA.

Issue Date	11 March 2016
Closing Date for Questions	18 March 2014
Closing Date for RFP	18 March 2014
Closing Time	12:00 Midday GMT + 2
Compulsory Briefing	No
Date/Time/Place for the Briefing	N/A
Validity Period of Bid Submission	120 days

2. PROPRIETARY INFORMATION

SAA considers this RFP GSM 021/16 and all related information, either written or verbal, which is provided to the respondents, to be proprietary to SAA. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish or advertise this specification or related information to any third party without the prior written consent of SAA.

3. GROUNDS FOR DISQUALIFICATION

All communication and attempts to obtain information of any kind with regards to this RFP should be channeled to Silas Matsaudza, Silasmatsaudza@flysaa.com

SAA reserves the right to disqualify any respondent from this Bid process if any attempts are made by that respondent to solicit information of any kind relative to this Bid/Proposal or subsequent evaluation from any other source in SAA other than the contact person as mentioned above.

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TABLE OF CONTENTS FOR RFP GSM 021/16

Part	Title
	Invitation to Bid
	Prerequisites Information
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3	Scope of Work / Specification
4	Evaluation Criteria
5	Declaration of Interest
6	Vendor Information Form
7	Deviations From the Request for Bid/Proposal
8	Tax Clearance Requirements
9	Pre-Bid Brief / Site Inspection Certificate
10	General Conditions of Contract and/or Special Conditions of Contract
11	Preference Claim Form
12	Declaration Certificate for Local Production and Content
13	Certificate of Independent Bid Determination
14	National Industrial Participation Programme

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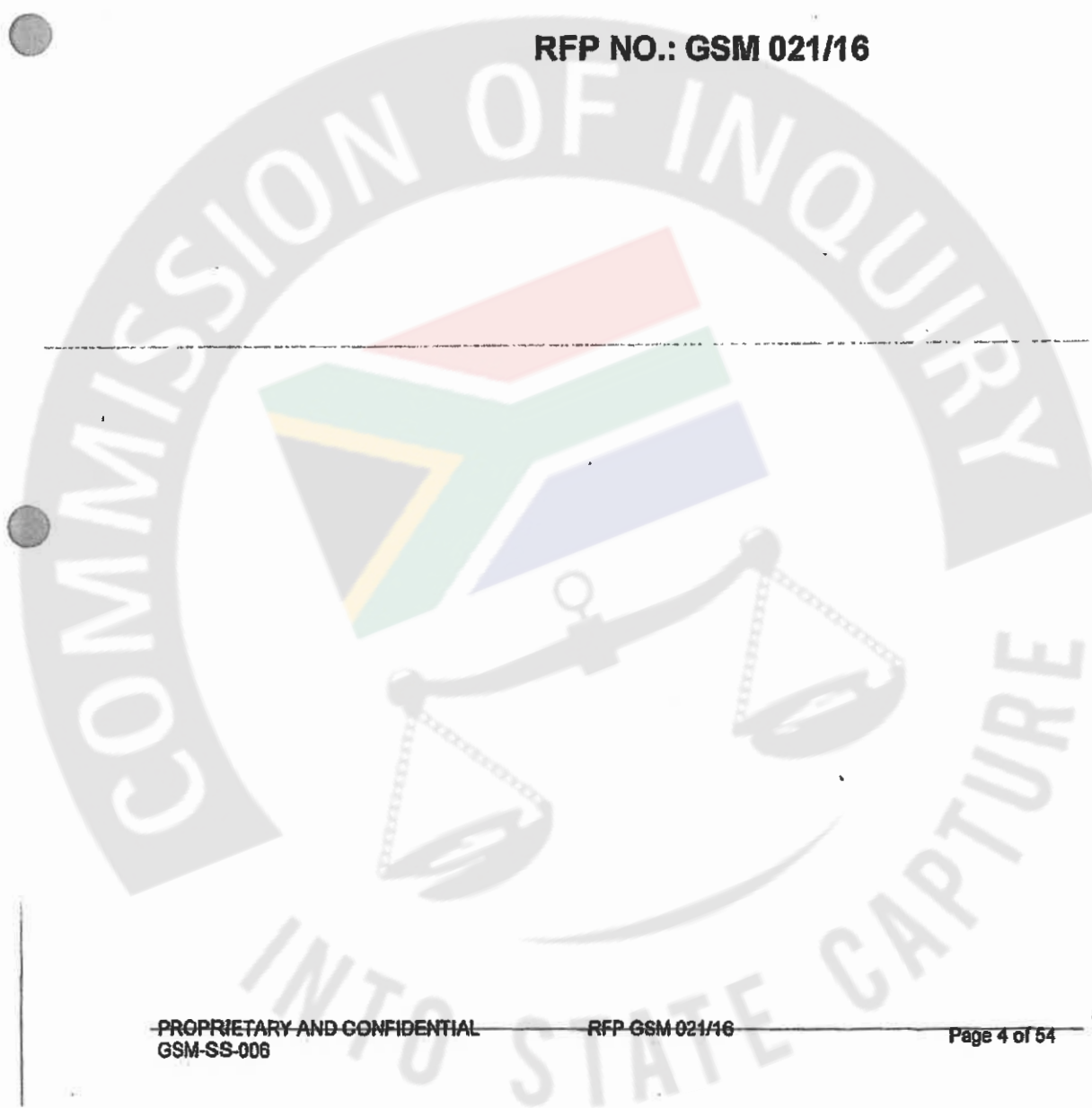


PART 1

INFORMATION SCHEDULE

FOR

RFP NO.: GSM 021/16



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TO ENSURE THAT YOU RECEIVE ALL INFORMATION RELATING TO THIS BID AND ANY
ADDITIONAL INFORMATION PLEASE COMPLETE THIS PAGE AND RETURN BY FACSIMILE
OR E-MAIL TO THE INDICATED NUMBER

TO : **Silas Matsaudza**
South African Airways (Proprietary) Limited
Global Supply Management

E-MAIL : silasmatsaudza@flsaa.com

RE : **RFP GSM 021/16**

DATE : 17.03.2016

NAME OF BIDDER : AFRICA RISING CAPITAL (PTY) LTD

ENTITY NAME : AFRIS CAPITAL

CONTACT PERSON : LEWIS MUSISKE

TEL NUMBER : 011 326 5337

FACSIMILE NUMBER : 011 326 5345

CELLULAR NUMBER : 083-452-2096

E-MAIL ADDRESS : l.musiske@arisingcapital.com



PART 2

BID CONDITIONS AND INSTRUCTIONS TO BIDDERS

FOR

RFP GSM 021/16



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1.0 INTRODUCTION

South African Airways has a proud history of excellence, competing with many Local, Regional and International carriers, and is considered by consumers to be a premium world class airline. This is confirmed by the long list of awards the airline has received. SAA is the finest in Africa with more routes to African destinations than any other airline. This has been historically expressed through the payoff line "Bringing the world to Africa & taking Africa to the world"

We are inspired by our unqualified belief in service excellence, integrity, accountability, quality, safety, people development and value to our shareholders.

All our business relations are guided by these values and business practice. Our business partners and suppliers are expected to uphold, promote and share the same values and vision.

The quality, price and service that we provide our customers can only be as good as what we receive from our suppliers.

We strive for continuous improvement in our critical business areas and seek to establish relationships with suppliers that are equally passionate in their quest for better quality, price and service.

Procurement Philosophy

It is the policy of SAA, when purchasing products, services and works, to follow a course of optimum value and efficiency by adopting best purchasing practices in Supply Chain Management, ensuring where possible that open and fair competition has prevailed, with due regard being had to the importance of:

- The Public Finance Management Act (PFMA) and the Preferential Procurement Policy Framework Act (PPPFA);
- The promotion, development and support of businesses from Exempted Micro Enterprises and Qualifying Small Enterprises, that are 50% Black Owned, 30% Black Women Owned, 50% Black Youth Owned, 50% Black People Living in Rural Areas (towns and cities outside of the Tshwane, Johannesburg, eThekweni and Cape Town Metros) and 50% Black People with Disabilities.
- The promotion of domestic suppliers and agents before considering overseas suppliers and where purchases are from abroad, fostering development of local suppliers by the foreign suppliers in terms of setting aside 25% of the purchase for developing the local supplier; as well as
- The development, promotion and support for the moral values that underpin the above, in terms of SAA's Business Ethics and Guidelines which requires that all commercial conduct be based on ethical and moral values and sound business practice. This value system governs all commercial behaviour within SAA.

2.0 CONDITIONS OF BID & CONTRACT

- 2.1 The Bidder/s accepts that this document and its associated documents do not constitute any contractual relationship between SAA and the Bidder/s and the acceptance of any Bid/s by SAA will not constitute any contractual relationship between SAA and any Bidder/s. The acceptance of any Bid/s will only indicate without any obligations on the part of either SAA and/or a Bidder/s, the willingness of such Parties to enter into negotiations, which may or may not result in a Contract.

- 2.2 SAA reserves the right to undertake physical evaluations on shortlisted Bidder/s.
- 2.3 The Bidder/s agree that during the contract period prices based on the impact of volumes, productivity improvements and sharing of risk may be negotiated.
- 2.4 The Agreement will be a non-exclusive Agreement and SAA reserves the right to purchase at its discretion service from any other service provider. SAA does not warrant that it will use any minimum quantity of the service from the successful Bidder/s.
- 2.5 During evaluation of the bids, additional information may be requested in writing from bidders. Replies to such request must be submitted, within 5 (five) working days or as otherwise indicated. Failure to comply, may lead to your bid being disqualified.

3.0 INTELLECTUAL PROPERTY, INVENTIONS AND COPYRIGHT

- 3.1 The specification is the intellectual property of SAA.
- 3.2 Copyright of all documentation relating to this assignment belongs to SAA. The successful bidders may not disclose any information, documentation or products to other clients without the written approval of the accounting authority or the delegate.
- 3.3 All the intellectual property rights arising from the execution of this Agreement shall vest in SAA and the Bidder undertakes to honour such intellectual property rights and all future rights by keeping the know-how and all published and unpublished material confidential.
- 3.4 In the event that the Bidder would like to use any information or data generated in terms of the Services, the prior written permission must be obtained from SAA.
- 3.5 SAA shall own all materials produced by the Bidder during the course of, or as part of the Services including without limitation, deliverables, computer programmes (source code and object code), programming aids and tools, documentation, reports, data, designs, concepts, know-how and other information whether capable of being copyrighted or not ("IP") which IP SAA shall be entitled to freely code and assign to parties nominated by SAA.
- 3.6 This clause 3.0 shall survive termination of this Agreement.

4.0 GUIDELINE ON COMPLETION OF SUBMISSION

- 4.1 Bidders must indicate compliance or non-compliance on a paragraph-by-paragraph basis. Indicate compliance with the relevant bid requirements by marking the YES box and non-compliance by marking the NO box. If the contents of the paragraph only need to be noted, please mark the NOTED box. The bidder must clearly state if a deviation from these requirements are offered and the reason therefor. If an explanatory note is provided, the paragraph reference must be attached as an appendix to the bid submission. Bids not completed in this manner may be considered incomplete and rejected. Should bidders fail to indicate agreement/compliance or otherwise, SAA will assume that the bidder is not in compliance or agreement with the statement(s) as specified in this bid.
- 4.2 SAA will interpret YES as full compliance/acceptance to the applicable paragraph. NO will be interpreted that the Bidder/s has/have read and understood the paragraph, but the Bidder/s does/do not comply/accept the content of the applicable paragraph.
- 4.3 Alternative Bids by the Bidder/s or any non-compliance to the specification will be evaluated and considered at SAA's sole discretion.

5.0 PREPARATION COSTS

All costs incurred in the preparation, presentation and demonstration of the response shall be for the account of the Bidder. All supporting documentation and manuals submitted with the Bid will become SAA property unless otherwise stated by the Bidder/s at the time of submission.

6.0 COPIES REQUIRED

- 6.1 It is a condition that the Bidder/s shall furnish an offer comprising of the original response document plus 2 (two) copy. The Bidder/s shall ensure that all the relevant information and documentation is submitted with the original as well as the copy. SAA shall not be liable should it become evident that a Bidder/s offer/s is/are not accepted and the reason for such non-acceptance is as a result of the Bidder/s failure to include the information in both copies.

- 6.2 BIDDER/S SHALL KEEP A COPY OF THEIR BID AND RESPONSE FOR FUTURE REFERENCE.

7.0 SPECIFIC INFORMATION REQUIRED

For ease of reference and evaluating purposes, please furnish replies under the same headings and refer individually to all specific paragraph numbers. Please be clear in your response and use definite answers.

8.0 ENQUIRIES

Enquiries regarding this RFP should be submitted in writing to SAA at the following address:

Attention: **Silas Matsaudza**

Email: slasmatsaudza@flvsaa.com

9.0 QUESTIONS AND CLARIFICATIONS

- 9.1 Enquiries should reference the specific RFP number, section, document and paragraph number, where appropriate.
- 9.2 The questions and clarifications must be faxed or emailed to the details in 8.0 above.
- 9.3 If appropriate, the clarifying information will be made available to all bidders by e-mail only.
- 9.4 The closing date for questions is as mentioned in the Cover Sheet.

10.0 INSTRUCTIONS FOR THE SUBMISSION OF A PROPOSAL

- 10.1 Proposals must be submitted via email to Tenders@flvsaa.com. Should you encounter any technical difficulties please contact Mand Coetser at e-mail address: MandCoetser@flvsaa.com

Tender number : RFP: GSM 021/16

Tender for : Appointment of a Transaction Advisor to provide Financial Advice to SAA.

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Closing Date / Time: 18 March 2016 at 12:00 midday GMT + 2

Name & Address of the Bidder : Postal or Physical Address

- 10.2 Bids can be delivered between 08H00 and 16H30, Monday to Friday, prior to the closing date and between 08H 00 and 11H 00 on the closing date.
- 10.3 Submissions will be kept unopened in safe custody until the closing time for the Bid. Where a Bid is received without a Bid number on it, it will be opened, the Bid number ascertained, the envelope sealed and the Bid number written on the envelope.
- 10.4 Unless specifically provided for in the bid documents, tenders submitted by means of telegraph, telex, fax or similar means will not be accepted.
- 10.5 All bids must be submitted in English.

Bidders should ensure that proposals are delivered before the closing date and time to the correct email address.

If the bid is late, it will not be accepted for consideration.

11.0 LATE BID SUBMISSIONS

- 11.1 Late submissions of Bids will NOT be considered for evaluation and will be returned un-opened to the Bidder/s at the Bidders' own costs accompanied by an explanation to the effect that it is late.
- 11.2 A submission will be considered late if it arrives one second after 11:00 or any time thereafter. The bid box shall be locked at exactly 11:00 and bids arriving late will not be accepted under any circumstances. Bidders are therefore strongly advised to ensure that bids be dispatched allowing enough time for any unforeseen events that may delay the delivery of the bid.

12.0 PAYMENTS

- 12.1 Final payment terms will be negotiated with the successful bidder before awarding the bid.
- 12.2 SAA will pay the successful Bidder the Fee as set out in the final contract. No additional amounts will be payable by SAA to the successful Bidder.
- 12.3 The successful Bidder shall from time to time during the duration of the contract, invoice SAA for the services rendered. No payment will be made to the successful Bidder unless an invoice complying with section 20 of VAT Act No 89 of 1991 has been submitted to SAA.
- 12.4 Payment shall be made into the successful bidder's bank account normally 30 days after receipt of an acceptable, valid invoice. (Banking details must be submitted as soon as this bid is awarded).
- 12.5 The successful Bidder shall be responsible for accounting to the appropriate authorities for its Income Tax, VAT or other moneys required to be paid in terms of applicable law.

13.0 WARRANTIES

- 13.1 The Bidder warrants that it is able to conclude and deliver on this Agreement to the satisfaction of SAA.

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- 13.2 Although the Bidder will be entitled to provide products or services to persons other than SAA, the Bidder shall not without the prior written consent of SAA, be involved in any manner whatsoever, directly or indirectly, in any business or venture which competes or conflicts with the obligations of the Bidder to provide the products or services.

14.0 RETENTION

- 14.1 On termination of this agreement, the successful bidder shall on demand hand over all documentation, information, software, etc., without the right of retention, to SAA.
- 14.2 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force and effect unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

15.0 SELECTION

- 15.1 SAA reserves the right to evaluate and consider any Bid/s that does not comply strictly with this Bid process.
- 15.2 Before the award of this Bid, SAA reserves the right to enter into a phase of negotiation to ensure the optimum solution in terms of the specified requirement for SAA with Bidder/s in order to establish a mutually acceptable solution. SAA will however not be bound to enter into any contract with any party, should negotiations fail to produce mutually acceptable conditions.
- 15.3 Should SAA consider it necessary, the Bidder/s shall agree to an inspection of the resources and works of the Bidder.
- 15.4 SAA may request documentary proof of any information supplied by the Bidder/s. Failure to comply with request will lead to disqualification.
- 15.5 Should SAA consider it necessary, SAA will visit the Bidder's customer sites.
- 15.6 SAA reserves the right:
- 15.6.1 to cancel this Bid or any part thereof at any time;
 - 15.6.2 not to accept any Bids;
 - 15.6.4 to accept one or more Bids for further negotiation
 - 15.6.5 to contact any Bidder/s during the evaluation period, to clarify information only, without informing any other Bidder/s.
 - 15.6.6 to either appoint one or more Bidder/s on a national basis, or award the contract on a regional basis to one or more Bidder/s.

16.0 NEGOTIATIONS

- 16.1 SAA has the right to enter into negotiation with a prospective bidder or prospective bidders regarding any terms and conditions, prices, BEE, technical/functionality requirements, etc.
- 16.2 SAA shall not be obliged to accept the lowest priced bid, quotation, offer or proposal.

17.0 BID PRESENTATIONS

17.1 SAA reserves the right to invite bidders for presentations before the award of the bid.

18.0 FORMAT OF BIDS

18.1 Fully comprehensive service documentation shall be supplied in English by each Bidder, which shall explicitly and in detail describe the service/s offered. This documentation shall include sufficient detail to clearly give the reader a precise and unambiguous description of the service/s offered. Incomplete or incomprehensible service documentation will result in rejection of the offer.

18.2 The following documentation forms part of the Bid and must be duly completed & returned in the Bidders response to this RFP

- Declaration of Interest
- Vendor Information Form
- Valid Original Tax Clearance Certificate
- Certified and Valid BBEE Certificate issued by a verification agency accredited SANAS
- Latest and audited financial statements

18.2.1 Part 1: Information Schedule

Bidders must complete and submit the Information Schedule.

18.2.2 Part 2: Technical/Functionality Proposal & Compliance

Bidders should provide all documentation requested under the critical and functional criteria. Failure to provide the requested supporting documents will result in loss of points.

18.2.3 Part 3: SARS Tax Clearance Certificate(s)

A valid original SARS Tax Clearance Certificate must accompany the proposal. In case of a consortium/joint venture, or where sub-contractors are utilised, a valid original SARS Tax Clearance Certificate for each consortium/ joint venture member and/or sub-contractor (individual) must be submitted.

Each consortium/joint venture must submit its own valid original Tax Clearance Certificate.

18.2.4 Part 4: Declaration of Interest

Bidders must complete and submit the Declaration of Interest Form.

18.2.5 Part 5: Briefing Session or Site Inspection Certificate

Bidders must submit a signed certificate of the Briefing Session or Site Inspection which is a compulsory requirement.

18.2.6 Part 6: BEE Submission

Bidders must submit their B-BBEE Certificate.

Consortiums or joint ventures must submit a consolidated B-BBEE Certificate. Each member organisation must submit the percentage income split as per the consortium or joint venture agreement. The workload split must also be clearly defined and indicated.

18.2.7 Part 7: Pricing Schedule

Bidders must submit a detailed costing schedule. All prices submitted must reflect the total landed cost of the proposed products to SAA (the relevant Incoterm is DAP Johannesburg, SAA Warehouse) and include all applicable taxes.

18.2.8 Part 8: Vendor Information Form

Bidders must complete & submit the Vendor Information Form and source documents. Banking details will only be required from the successful bidder.





PART 3

SCOPE OF WORK / SPECIFICATION

FOR

RFP NO.: GSM 021/16

The Transaction Advisor is expected to provide the following services;

- analyse all the loan agreements that are currently at SAA's disposal;
- determine which of the total funding of the R14billion is inefficient, either because it is expensive, encumbers SAA's ability to raise further funding because of the attached government guarantee requirement or the tenure not being suitable for SAA's Financial Turnaround Strategy;
- advise SAA on how to restructure its balance sheet through the settlement of inefficient loans
- advise SAA on the strategic loans that, on the face of it appears to be inefficient, however for strategic reasons, it will be important for SAA to keep the loans in place, for example if these represent "equity" funding that shores up SAA's balance sheet; and
- analyse the current SAA's leases, the majority of which exposes SAA to the hard currency exchange prejudices, given that approximately 60% of SAA's revenue is USD denominated. With the new 5 A330s that will commence shortly, will result in approximately 85% of SAA's expenses to be USD denominated, & recommend to SAA of options to restructure these leases to lessen their burden on SAA.

PD



PART 4

EVALUATION CRITERIA FOR RFP GSM 021/16

1. PHASE 1 - CRITICAL CRITERIA EVALUATION

The following critical criteria will apply for evaluation of this Bid. Non-compliance to these critical criteria or no supporting documentation supplied with the bid response will invalidate your bid.

CRITICAL CRITERIA: None Weighted, Mandatory requirements to be met, for the Bidder's submission to qualify. Bidder, who will not meet all the below mentioned requirements will be disqualified:		COMPLY	
		YES	NO
<input type="checkbox"/> Financial Services Board Licence: The bidding entity must be licenced as a financial services provider by the Financial Services Board. A copy of the certificate from the Financial Services Board indicating the licence number for the bidding entity must be provided with the proposal.		<input checked="checked" type="checkbox"/>	<input type="checkbox"/>
PHASE 2			
FUNCTIONAL CRITERIA		100%	
<input type="checkbox"/> Demonstrable Experience: The bidding entity must demonstrate experience in the provision of financial advisory services to corporate entities/state owned companies/local authorities. Details of three projects the bidder has successfully executed in the last (5) years must be provided with the proposal. Please refer to Annexure A, table (a) of this document for the format in which the required information must be provided. The information provided in response to the above requirement must be supported by duly signed testimonial letters on the client's letter head indicating contact details of the client, the work done, period of work done and testifying satisfactory service delivery.		30%	
Note: The following scoring matrix will be used to evaluate this criterion:			
<ul style="list-style-type: none"> Three (3) projects supported by testimonials on the client's letterhead confirming the success rate of the executed financial services and how it improved the cited company twelve (12) months later (30 points). Two (2) projects supported by testimonials on the client's letterhead confirming the success rate of the executed financial services and how it improved the cited company twelve (12) months later (20 points). 			

<ul style="list-style-type: none"> One (1) project supported by a testimonial on the client's letterhead confirming the success rate of the executed financial services and how it improved the cited company twelve (12) months later (10 points). 	
<p><input type="checkbox"/> Proposed Methodology: The bidding entity must demonstrate how, in a time and cost effective manner, it will conduct the following:</p> <ul style="list-style-type: none"> Analyse the SAA loan agreements; (8 points) Determine any inefficiency in the total funding of SAA (8 points). Advise SAA on how to restructure its balance sheet through the settlement on inefficient loans (8 points); Advise SAA of the strategic loans that, on the face of it appears to be inefficient, however for strategic reasons, it will be important for SAA to keep the loans in place, for example if these represent "equity" funding that shores up SAA's balance sheet (8 points); and Analyse the SAA's leases (8 points) <p>Note: The following three (3) point scale will be used to score the bidder's submission on the above elements:</p> <ul style="list-style-type: none"> 0 - Do not meet expectations 2 - Partially meet expectations 4 - Meets expectations 	40%
<p><input type="checkbox"/> Experience, Skills and Qualifications of the Team/Individual: The proposed team/individual must have relevant skills, qualifications and experience, and must have played key roles in at least three similar projects (<i>analysis of loans, restructure of balance sheet and analysis of leases</i>). Please refer to Annexure A, table (b) of this document for the format in which the required information must be provided. Detailed Curriculum Vitae of the proposed transactions advisor/team must clearly highlight the areas of experience (<i>including but not limited to those cited in Annexure A table (b)</i>) and competence relevant to the tasks and objectives of the project as outlined in the scope of work.</p> <p>Note: The following scoring matrix will be used to evaluate this criterion:</p> <ul style="list-style-type: none"> Relevant qualifications* and at least five (5) years' experience in executing similar projects (30 points). Relevant qualifications* and at least three (3) year experience in executing similar projects (20 points). Relevant qualifications* and less than three (3) year experience in executing similar projects (10 points). <p><i>*Relevant experience accounts for 75% of the allocated points</i></p>	30%

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PART 5

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the principal, or persons having a kinship with persons employed by the principal, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the principal, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where:

- ☐ the bidder is employed by the principal; and/or
- ☐ the bidder is a board member
- ☐ the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

- 2.1 Are you or any person connected with the bidder, employed by the principal? YES/NO

- 2.1.2 If so, state particulars.

- 2.2 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the principal and who may be involved with the evaluation and or adjudication of this bid? YES/NO

- 2.2.1 If so, state particulars

- 2.3 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between the bidder and any

YES/NO

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person employed by the principal who may be involved with the evaluation and or adjudication of this bid?

2.3.1 If so, state particulars

3. DECLARATION

I LEWIS M MAX ELL MUSASIKE, THE UNDERSIGNED CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPH 2.1 TO 2.3.1 ABOVE IS CORRECT. I ACCEPT THAT THE PRINCIPAL MAY ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

L. Musasike
Signature

21 MARCH 2016
Date

I AM NAG NG DIRECTOR
Position

AFRIS CAPITAL
Name of Bidder

RFP GSM 021 16
Bid Number

**PART 6****VENDOR INFORMATION FORM****FOR****RFP NO.: GSM 021/16**

You are kindly requested to complete this document accurately as the information contained herein is required for the following purposes:

To support SAA in the implementation of a system of preferences as required by the Preferential Procurement Policy Framework Act (No 5 of 2000).

Failure to complete the form in full may result in the supplier not being considered for the awarding of any orders or contracts by SAA.

PAGES – PLEASE COMPLETE ALL PAGES.

Name of Company:	AFRICA RISING CAPITAL PROPRIETARY LIMITED		
Company Registration No.:	2010/001127/07		
Value at Registration number:	4640255453		
Tax Registration No:	913989173		
Postal Address:	P.O. BOX 78585, SANDTON, 2146		
Physical Address:	6 PROT EA ROAD / CHISHURSTON, 2196		
Telephone No:	011 826 5345	Mobile Telephone No:	083 - 452 - 2009
Fax No:	011 326 5337	E-mail address:	l.musasike@afri-capital.com

DOCUMENTS TO BE SUBMITTED

- Certified Company Registration documents.
- Certified Share Certificates.
- Certified copies of Shareholders' Identity Documents.
- Signed Joint Venture or Consortium agreement (where applicable).
- Cancelled cheque or stamped bank confirmation letter not older than a year.

PD

- An original valid Tax Clearance Certificate must be attached to this form -. Failure to do so may disqualify the bid.
- An original valid B-BBEE Certificate or a letter from the Auditor or Accounting Officer or a certified copy thereof.
- In the case of a Joint Venture or Consortium, a joint B-BBEE Certificate fulfilling the above requirements should be submitted
- Latest audited financial statements

In case of a consortium/joint venture, full details on consortium/joint venture members (if applicable):

Name of Company:	
at Registration	
V number:	
Tax Registration No:	

Name of Company:	
at Registration	
V number:	
Tax Registration No:	

Name of contracting entity in case of a consortium/joint venture (if applicable):

Name of Company:	
Postal address:	
Street address:	
Contact person on behalf of a consortium/joint venture:	
Cell phone number:	
Cell phone number:	
Mail address:	

1. Participation capacity (tick one box)

<input type="checkbox"/> Prime contractor	<input type="checkbox"/> Supplier
<input checked="" type="checkbox"/> Sub-contractor	<input type="checkbox"/> Professional services
<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Joint Venture partner
Other specify:	

2. Type of firm (tick one box)

<input type="checkbox"/> Partnership	<input type="checkbox"/> One person business/sole trader
<input type="checkbox"/> Close corporation	<input type="checkbox"/> Company
<input checked="" type="checkbox"/> Pty Ltd.	
Other specify:	

3. State business activities (tick one box)

<input type="checkbox"/> Security	<input checked="" type="checkbox"/> Construction
<input type="checkbox"/> Catering	<input type="checkbox"/> Consulting
<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Retailer/Distributor

Other specify

4. Business sector (tick one box)

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Mining and Quarrying
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Electricity, Gas and Water
<input type="checkbox"/> Retail and motor trade repairs services	<input type="checkbox"/> Construction
<input type="checkbox"/> Wholesale trade, commercial agents & allied	<input type="checkbox"/> Community, social and personal services
<input type="checkbox"/> Commercial Agents and other trade	<input type="checkbox"/> Transport, storage and communication
<input checked="" type="checkbox"/> Finance and business services	<input type="checkbox"/> Commercial Agents and other trade
Other specify	

5. Company classification (tick one box)

<input type="checkbox"/> Contractor who generates more than 75% of turnover as a prime contractor	<input type="checkbox"/> Contractor who generates less than 75% of turnover as a prime contractor
<input type="checkbox"/> Labour-only sub-contractor	<input type="checkbox"/> Manufacturer
<input type="checkbox"/> Supplier	<input checked="" type="checkbox"/> Professional service provider
Other specify	

Products or services to offer to SAA (fill in)

FINANCIAL ADVISOR	
-------------------	--

6. Total number of years the firm has been in business: 6

7. Total number of employees

Full time: 8 Part time: 3

8. Street address of all facilities used by the Firm (e.g. Warehouse, storage space, offices, etc.)

85 PROTEA ROAD, CHICHEURSTON, 2196

9. Do you share any facilities? YES/NO

If yes, which facilities are shared?

With whom do you share facilities? (Name of firm/individuals).

10. Is the firm registered or does it have a business license(s)?

YES/NO (If yes, give details and quote relevant reference numbers and dates)

CPC - 2010/001127/07

11. Detail all trade associations in which you have a membership:

FINANCIAL SERVICES BOARD - 41788

B

12. Did the firm exist under a previous name? YES / **NO**

If yes, what was its previous name? _____

Who were the owners/partners/directors? _____

13. Identify any owner or management officer who has an interest in another firm:

Name	Duties as employee in	Name and address of other firm	Type of business of other firm
HANDLA GRANTSHO	CHAIRPERSON	SASOL LIMITED SABUKA AVENUE ROSEBANK, JOHANNESBURG	ENERGY + CHEMICAL
HANDLA GRANTSHO	CHAIRPERSON	IMPREGO PLATINUM 2 PRINCE RD, JOHANNESBURG	MINING
HANDLA GRANTSHO	CHAIRPERSON	ITHAL AS OCLIMITED 803 DARGA KASEME (IN EST STREET) 15th FLOOR & OLD MUTUAL BUILDING DURBAN	BANKING

14. Indicate whether your company is an:

- a. Exempted Micro Enterprise (EME)
b. Qualifying Small Enterprise (QSE)

c. Generic/ Large Supplier

<input checked="" type="checkbox"/>

15. What is the enterprise's average annual turnover (excl. VAT) during the lesser of the period for which the business has been operating or the previous three financial years?

R

NB. Please submit your most recent set of annual financial statements (AFS) that are audited/independently reviewed not older than twelve months. If these financial statements are older than twelve months, please submit your most recent management accounts (Income Statement, Balance Sheet and Cash Flow) signed by the directors/members.

Please complete the following:

For a company and co-operative - Submission of most recent set of audited annual financial statements (AFS) signed by the directors and auditors.	For a Close Corporation - Submission of the most recent set of annual financial statements (AFS) signed by the member(s) and accounting officer / independent reviewer.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Comments

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ACTIVITY	NAME	RACE W/B	GENDER M/ F	DISABLED? YES / NO	LIVING IN RURAL AREA? Y/N
FINANCING DECISIONS					
Cheque Signing	HANDLA GRANTSHO	B	M	No	No
Acquisition of lines of credit	HANDLA GRANTSHO	B	M	No	N
Sureties	HANDLA GRANTSHO	B	M	No	N
Major Purchase or Acquisitions	HANDLA GRANTSHO	B	M	No	N
Signing Contracts	HANDLA GRANTSHO	B	M	No	N

18 BLACK EQUITY OWNERSHIP

NAME	GENDER M/F	DISABLED? YES / NO	I.D. NUMBER	NATIONALITY	% BLACK OWNERSHIP
GRANTSHO FAMILY TRUST		No	IT485/2004		32.45%
KUPE FAMILY TRUST		No	IT240/2008		15.00%
NATIONAL EMPOWERMENT TRUST		No	IT1945/00		25.1%
APRIS EMPOWERMENT TRUST		No	IT 378/2013		17.45%

List the four largest contracts/assignments completed by your firm in the last three years. Please provide projects that are similar to SAA's requirement.

Work performed	For whom	Contact person and telephone number	Contract fee/amount
Advisory	TRANSN ET	LOPELA Muthi 0113871660	R 3 400 000
Advisory	WANDABANIC	CHAS OPPENHEIM 01255 9116	R 2 000 000
Advisory	ISKOM	USALA Mordum 011 60 22 77	R 300 000

Payment transactions:

Alternative payee	
(This field is only to be filled in if payments are not to be made directly to the vendor to whom the payment is owed)	

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Contact person: (Sales person)

Name		Telephone number	
------	--	------------------	--

Bank Details:

Country (Where bank is located)	SOUTH AFRICA
Name of bank	FIRST NATIONAL BANK
Bank key (Branch Number)	260950
Bank account (Account Number)	622 578351-66
Account holder (Only to be filled in if the name of the account holder is not the same as the name of the vendor)	
Name of account (Type of account)	CURRENT

Date stamp of bank
Certified as correct

Initials and Surname (Bank official): _____

Signature (Bank official): _____

Telephone Number (Bank Official): _____

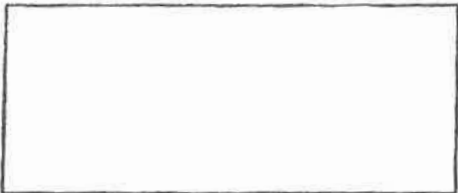
Signature _____ duly authorised to sign on behalf of
(Name of organisation) address

Telephone no. _____ Date _____

COMMISSIONER OF OATHS:

Signature: _____ Date: _____

PD



STAMP
MUST BE DATE STAMPED AND SIGNED BY A
COMMISSIONER OF OATHS



PD



25 February 2010

To Whom It May Concern:

This letter serves to confirm the following account 62257835466 in the name of *Africa Rising Capital (pty) Ltd, is held in the books of First National Bank Wierda Valley Branch.

As per Cipro records the directors are as follows:

Mandla Sizwe Vulindlela Gantsho - 6206025896082
 Rosalind Hylda Thomas - 5705100899086

Regards,

Verona Singh
 Customer Service Representative
 FNB Wierda Valley

FNB WIERDA VALLEY
 50 Wierda Road Weal, Wierda Valley, Sandton
 P O Box 787428, Sandton 2148, Republic of South Africa
 Email: wierdavalley@fnb.co.za, web: www.fnb.co.za
 Tel: +27 11 305 1009 and Fax: +27 011 305 1170



Directors: L.L. Oppenheimer (Chairman), B.E. Bhebe (CEO), W.W. Sadiq, J.H. Bester, J.P. Burger, L. Crouse, P.H. Goss, P.K. Harris, Y.R. Jassra, G.G. Mphahlele, S.B. Nkomo, R.K. Sene, S.J. van der West, H.J. van Gansburg, Company Secretary: B.W. Unger.

First National Bank - a division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)
 Reg No. 1829/001225/08.

First National Bank - a division of FirstRand Bank Limited. An Authorised Financial Services Provider. Reg. No. 1829/001225/08 NCRCP20.


SOUTH AFRICAN AIRWAYS
A STAR ALLIANCE MEMBER **PART 7**

DEVIATIONS FROM THE REQUEST FOR PROPOSAL

FOR

RFP NO.: GSM 021/16

Should the Bidder desire to make any departures from, or modifications to this Request for Bid or to qualify its Bidder in any way, it shall clearly set out its proposals hereunder or alternatively state them in a covering letter attached to its bid and referred to hereunder, failing which the Bid shall be deemed to be unqualified and conforms exactly with the requirements of this Request for Bid.

If no departures or modifications are desired, the Schedule hereunder is to be marked "NIL" and signed by the Bidder.

Unless otherwise specified specifically and stipulated in writing, the Contract constitutes the sole memorial of the Contract between the parties and any terms and conditions forming part of the Bidder's Bid or other documentation.

PAGE NUMBER	CLAUSE NUMBER	DEVIATION

SIGNATURE OF BIDDER *N/A*

DATE

PD

**PART 8****TAX CLEARANCE REQUIREMENTS****FOR****RFP NO.: GSM 021/16****1. IT IS A CONDITION OF BIDDING THAT**

- 1.1 The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his/her tax obligations.
- 1.2 The attached form "Application for Tax Clearance Certificate (in respect of bidders)" must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of twelve (12) months from date of issue. This Tax Clearance Certificate must be submitted in the original together with the bid. Failure to submit the original and valid Tax Clearance Certificate may invalidate the bid.
- 1.3 In bids where Consortia/Joint Ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate. Copies of the Application for Tax Clearance Certificates are available at any Receiver's office.

**Application for Tax Clearance Certificate
(IN RESPECT OF BIDDERS)**

1. Name of Taxpayer/bidder: _____
2. Trade name: _____
3. Identification number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4. Company/Close corporation registration number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5. Income tax reference number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6. VAT registration number (if applicable):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

7. PAYE employer's registration number (if applicable):

--	--	--	--	--	--	--	--	--	--

Signature of contact person requiring Tax Clearance Certificate:

Name:

Telephone number:

Code

Number

Address:

Date: 20...../...../.....

PLEASE NOTE THAT THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE (SARS) WILL NOT EXERCISE HIS DISCRETIONARY POWERS IN FAVOUR OF ANY PERSON WITH REGARD TO ANY INTEREST, PENALTIES AND / OR ADDITIONAL TAX LEVIABLE DUE TO THE LATE- OR UNDERPAYMENT OF TAXES, DUTIES OR LEVIES OR THE RENDITION RETURNS BY ANY PERSON AS A RESULT OF ANY SYSTEM NOT BEING YEAR 2000 COMPLIANT.

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**PART 9**

**PRE-BID BRIEFING / SITE INSPECTION
FOR**

RFP NO.: GSM 021/16

Not applicable for this tender

South African Airways (SAA) Ltd

This is to certify that I, LEWIS MAXWELL MUSAIKE
representing and duly authorised by (Bidder) AFRIS CAPITAL

of (Address) 85 PROTEA ROAD, CHISLEHURSTON, 2196

Attended the bid briefing/site inspection on (Date) _____

Having prior to this bid briefing/site inspection carefully examined the bid document; I confirm that I was given unrestricted access to inspect those sections of the Site necessary for the execution and or delivery of goods, services or works.


I further confirm that I am completely satisfied with the scope of Purchase as explained by the SAA representatives, and I am fully aware of all Site conditions and regulations of whatsoever nature that could influence the preparation of our bid.

I therefore append my signature below in agreement that we will not institute any claim against SAA, after submission of our bid based on lack of knowledge of site conditions or regulations appertaining to the execution of the Contract.

For and on behalf of the Bidder, being duly authorised;

LEWIS MAXWELL MUSAIKE
Name

17 MARCH 2016
Date


Signature

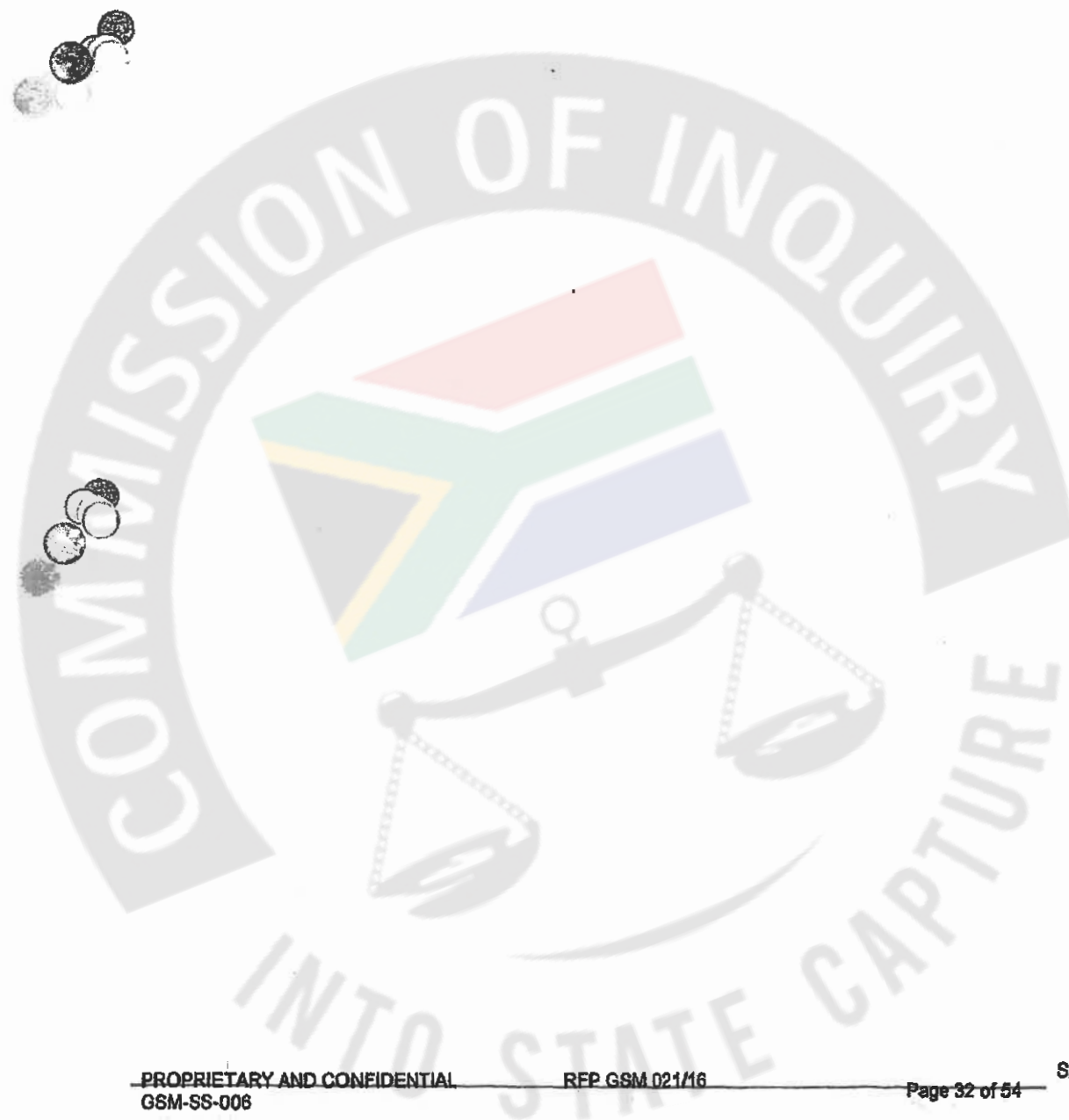
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For and on behalf of SAA:

Name _____

Date _____

Signature _____



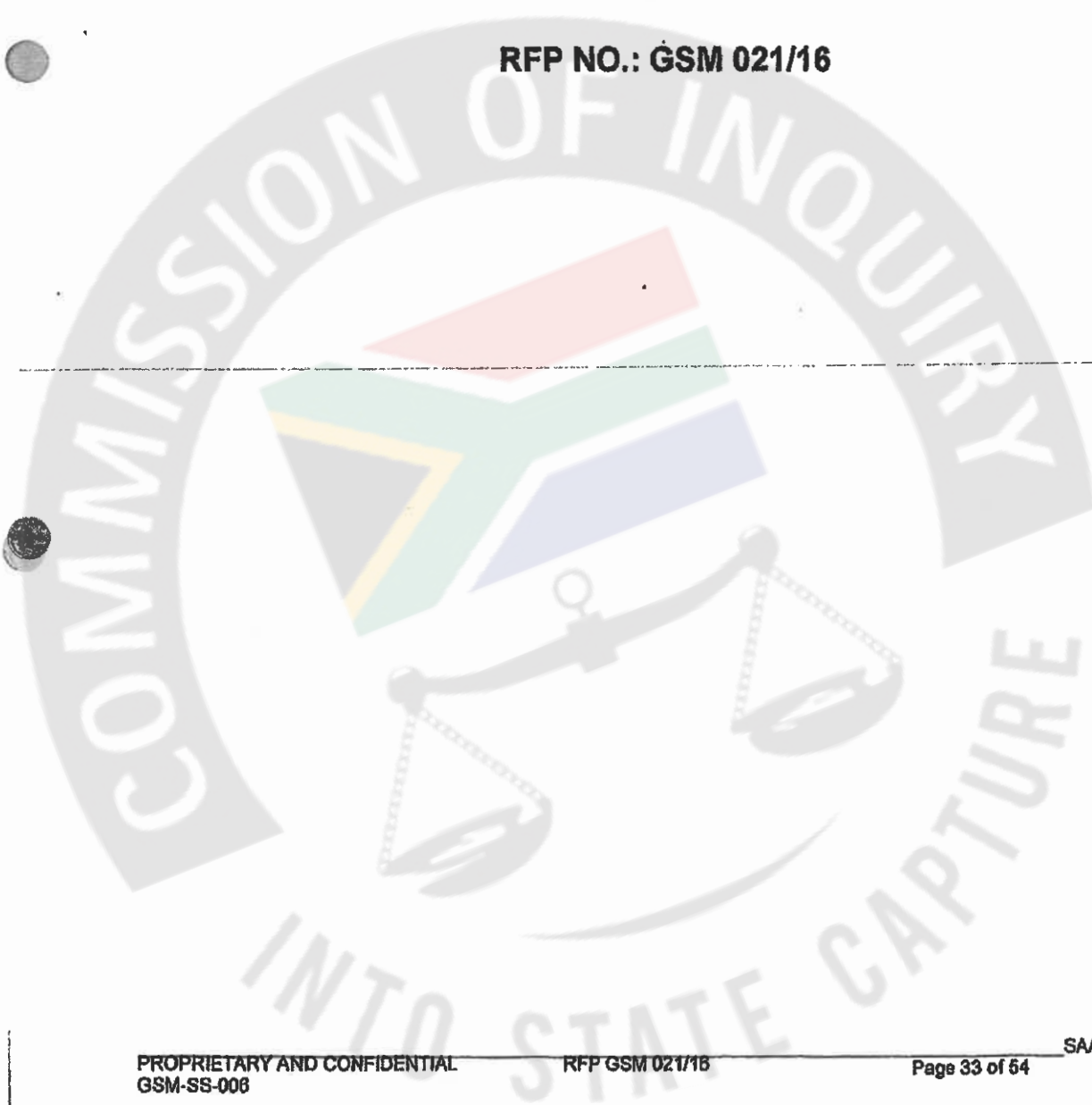
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PART 10

**GENERAL CONDITIONS OF CONTRACT
and/or
SPECIAL CONDITIONS OF CONTRACT
FOR**

RFP NO.: GSM 021/16



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PART 11

PREFERENCE CLAIM FORM

FOR

RFP NO.: GSM 021/16

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R500 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R500 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the 90/10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

1.3.1 The maximum points for this bid are allocated as follows:

POINTS (Insert appropriate points)

1.3.1.1 PRICE (Insert appropriate points)

1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION 2

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Total points for Price and B-BBEE must not exceed

100

- 1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.5 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- 2.1 "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 "B-BBEE" means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 "B-BBEE status level of contributor" means the B-BBEE status received by a measure and entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 "bid" means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 "Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 "comparative price" means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
- 2.7 "consortium or joint venture" means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 "contract" means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 "EME" or exempt micro enterprise means any enterprise with an annual turnover of up to R5 million.
- 2.10 "Firm price" means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 "functionality" means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;

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2.12 "non-firm prices" means all prices other than "firm" prices;

2.13 "person" includes a juristic person;

2.14 "rand value" means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

2.15 "sub-contract" means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

2.16 "total revenue" bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;

2.17 "trust" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

2.18 "trustee" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

3.1 The bidder obtaining the highest number of total points will be awarded the contract.

3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;

1.3 Points scored must be rounded off to the nearest 2 decimal places.

1.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.

1.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality:

1.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 or 90/10

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \text{ or } P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for comparative price of bid under consideration

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Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

5. Points awarded for B-BBEE Status Level of Contribution

- 5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, 2011 preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-B-BEE scorecard as if they were a group structure and that such a consolidated B-B-BEE scorecard is prepared for every separate bid.

- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialised scorecard contained in the B-BBEE Codes of Good Practice.

- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid

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documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.

- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

- 6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

- 7.1 B-BBEE Status Level of Contribution: 2 = 9 (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA), the said certificate may be a certified copy thereof.

8. SUB-CONTRACTING

- 8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

- 8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted?
- (ii) the name of the sub-contractor?
- (iii) the B-BBEE status level of the sub-contractor?
- (iv) whether the sub-contractor is an EME?
YES / NO (delete which is not applicable)

9. DECLARATION WITH REGARD TO COMPANY/FIRM

- 9.1 Name of firm ARRICA RISINA CAPITAL
- 9.2 VAT registration number : 464 0255453
- 9.3 Company registration number 2010/001127/07
- 9.4 TYPE OF COMPANY/ FIRM
- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety

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- ☐ Close corporation
☐ Company
☒ (Pty) Limited
 [TICK APPLICABLE BOX]

9.5 DESCRIBE STATE BUSINESS ACTIVITIES

.....

.....

.....

9.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
☐ Supplier
☒ Professional service provider
☐ Other service providers, e.g. transporter, etc.
 [TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated CITY OF JOHANNESBURG
 Registered Account Number N/A LEASED PROPERTY
 Stand Number ERF 9, CHISLEHURSTON

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?

6

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the

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shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

- (e) forward the matter for criminal prosecution

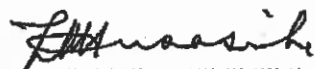
WITNESSES:

1.



2.




SIGNATURE(S) OF BIDDER(S)

DATE: 17.03.2016

ADDRESS: 85 PROTEA RD

CHISLEHURSTON

2196





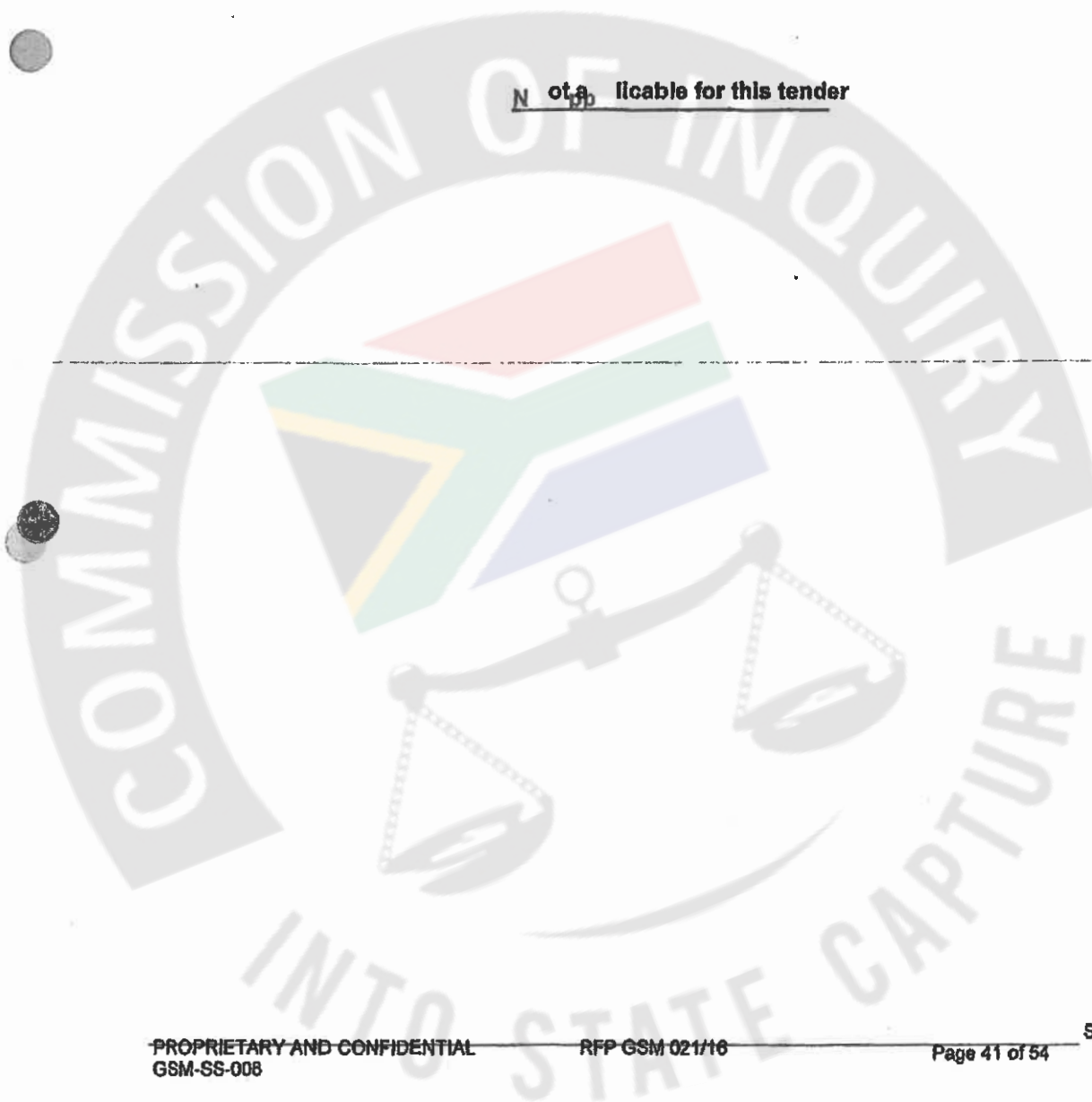
PART 12

**DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND
CONTENT**

FOR

RFP NO.: GSM 021/16

No ot a licable for this tender



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DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.

1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.

1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on <http://www.thedti.gov.za/industrialdevelopment/lp.jsp> at no cost.

PS

1.6A bid may be disqualified if --

(a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and

(b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

2. Definitions

2.1. "bid" includes written price quotations, advertised competitive bids or proposals;

2.2. "bid price" price offered by the bidder, excluding value added tax (VAT);

2.3. "contract" means the agreement that results from the acceptance of a bid by an organ of state;

2.4. "designated sector" means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. "duly signed" in relation to a Declaration Certificate for Local Content means the said document has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).

2.6. "Imported content" means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

2.7. "local content" means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

2.8. "stipulated minimum threshold" means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. "sub-contract" means the primary contractor's assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

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3. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
	_____ %
	_____ %
	_____ %

4. Does any portion of the services, works or goods offered have any imported content?
(Tick applicable box)

YES	NO
-----	----

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency

Currency	Rate of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?
(Tick applicable box)

YES	NO	X
-----	----	---

- 5.1. If yes, provide the following particulars:

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

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(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO. RFP GSM 021/16

ISSUED BY: (Procurement Authority / Name of Institution):

AFRICA RISING CAPITAL

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thedti.gov.za/industrialdevelopment/lp.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below. Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, LEWIS MAXWELL MUSASIKI (full names),
do hereby declare, in my capacity as MANAGING DIRECTOR
of AFRICA RISING CAPITAL (name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
 - (ii) the declaration templates have been audited and certified to be correct.
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

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Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.

The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: [Signature]

WITNESS No. 1 [Signature]

WITNESS No. 2 [Signature]

DATE: 17/3/2016

DATE: 17/3/2016

DATE: 17.03.2016

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SOUTH AFRICAN AIRWAYS

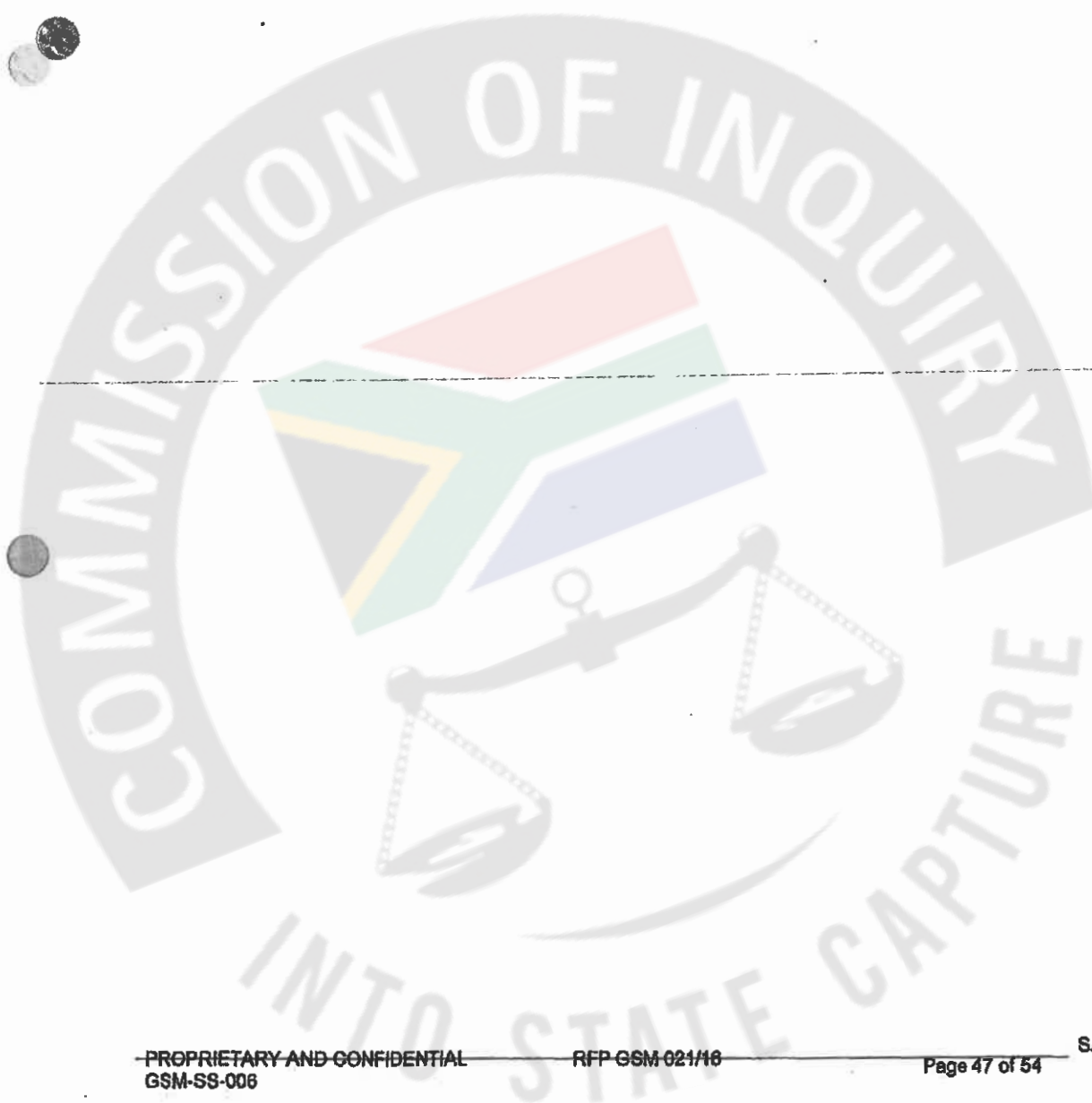
A STAR ALLIANCE MEMBER 

PART 13

CERTIFICATE OF INDEPENDENT BID DETERMINATION

FOR

RFP O.: GSM 021/16



- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorises accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

I, the undersigned, in submitting the accompanying bid:

RFP GSM 021/16 - APPOINTMENT OF A TRANSACTION ADVISOR TO
 (Bid Number and Description) PROVIDE FINANCIAL ADVICE
TO SAA

in response to the invitation for the bid made by:

AFRICA RISING CAPITAL PROPRIETARY LIMITED
 (Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: AFRIS CAPITAL that:
 (Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;

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- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

[Signature]

Signature

17 MARCH 2016

Date

MANAGING DIRECTOR

Position

AFRICA RISING CAPITAL
PROPRIETARY LIMITED

Name of Bidder

[Handwritten mark]


SOUTH AFRICAN AIRWAYS

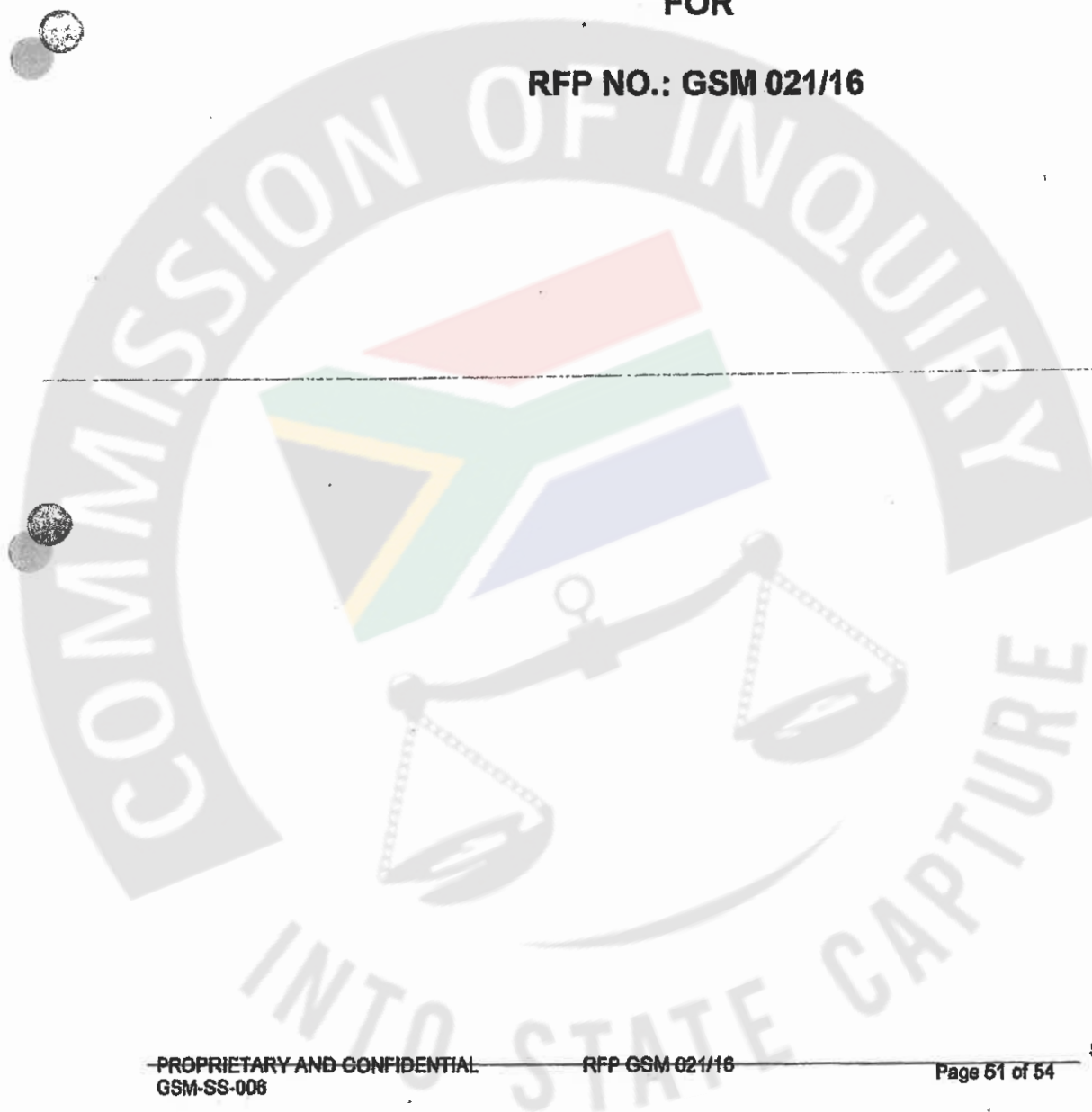
A STAR ALLIANCE MEMBER 

PART 14

NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

FOR

RFP NO.: GSM 021/16



PO

The NIPP form to be inserted where applicable

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

1 PILLARS OF THE PROGRAMME

1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:

- (a) Any single contract with imported content exceeding US\$10 million or
- (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million or
- (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million or
- (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.

1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.

1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of R10 million (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND

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SUCCESSFUL BIDDERS (CONTRACTORS)

3.1 Bidders are required to sign and submit this bidding document together with the bid on the closing date and time.

3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1(b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at Elias@thedti.gov.za for further details about the programme.

4 PROCESS TO SATISFY THE NIP OBLIGATION

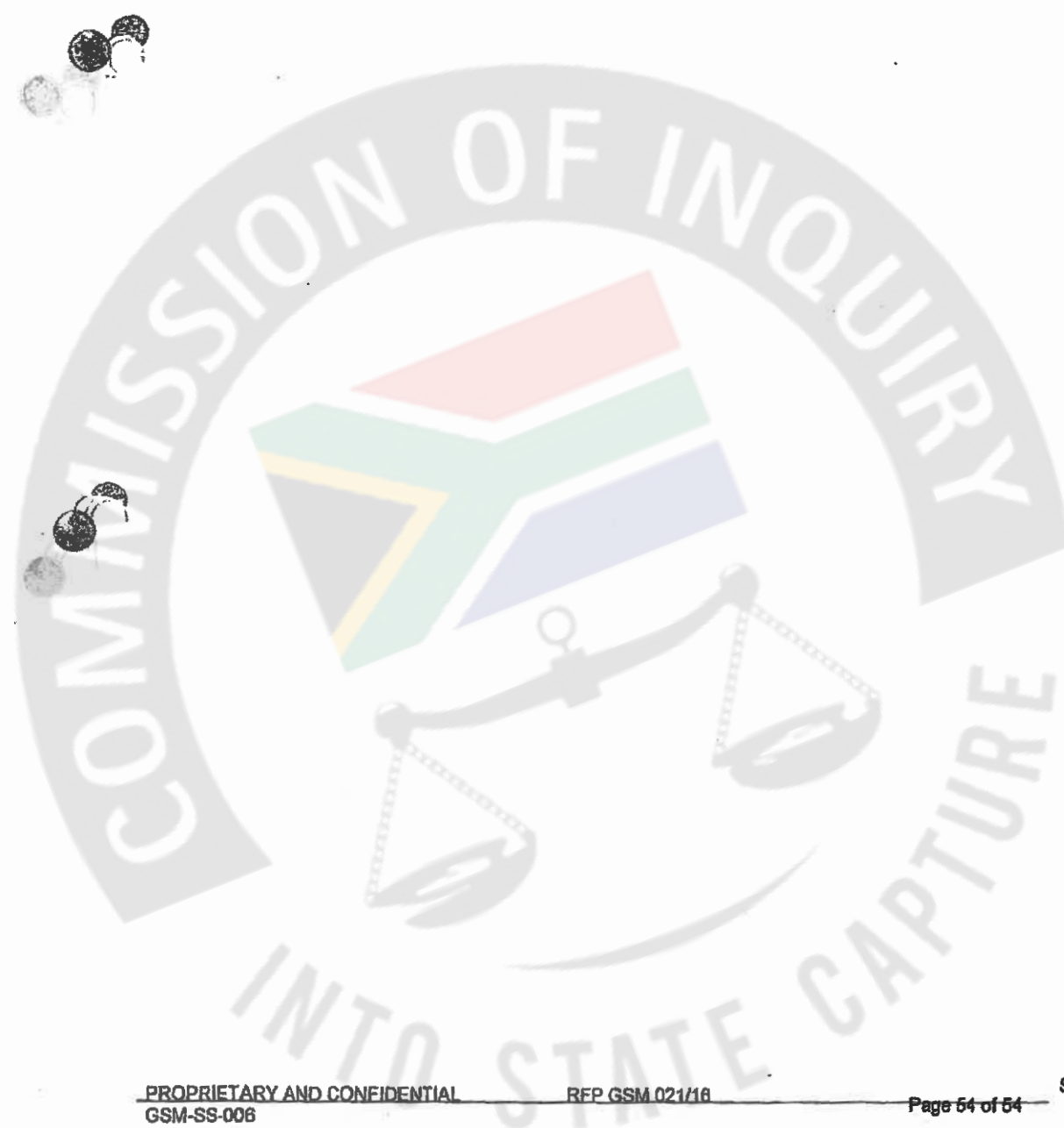
4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

- a. the contractor and the DTI will determine the NIP obligation;
- b. the contractor and the DTI will sign the NIP obligation agreement;
- c. the contractor will submit a performance guarantee to the DTI;
- d. the contractor will submit a business concept for consideration and approval by the DTI;
- e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- f. the contractor will implement the business plans; and
- g. the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number	RFP GSM 021/16	Closing date:	6 MARCH 2016
Name of bidder:	NR 14 RING P. PTAL PROPRIETARY LIMITED		
Postal address:	P.O. BOX 78565 SANDTON		
Signature:	[Signature] Name (in print): LINDA MAXWELL MUSASIKE		
Date:	17 MARCH 2016		

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme. The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. Embedded NIP Form to be completed by Bidder(s):



PD

PDM-115
PDM4



South African Airways
Room 402, Block A
Airways Park, Jones Road
Kempton Park

Private Bag X13
O.R. Tambo International Airport
Republic of South Africa, 1627

Tel: 27 11 978-1629
Fax: 27 11 978-6204

Email: silasmatsaudza@flysaa.com

20 March 2016

BnP Capital (Pty) Ltd
Private Bag X43
Sunninghill
Sandton
2157

Attention: Daniel Mahlangu

GSM021/16 PROVISION OF FINANCIAL ADVISORY SERVICES

Dear Sir/Madam

South African Airways (SOC) Ltd ("SAA") would like to congratulate BnP Capital (Pty) Ltd on being awarded the contract for the Provision of Financial Advisory Services as specified by the scope of services for the aforesaid tender, at a total cost of R2 689 830.00 including VAT.

Kindly note that this Letter of Award (LOA) is subject to the following conditions:

This LOA does not constitute a contract between SAA and BnP Capital (Pty) Ltd since a binding contract will only be in place upon final conclusion and signature of the required Agreement(s).

1. This LOA sets forth our understanding of the terms and conditions of our engagement, and the nature and scope of the services to be provided to SAA, in order to ensure that both parties are aware of their responsibilities in relation to this engagement.
2. LOA and any other correspondence dealing with the subject matter, constitutes the essential elements of the terms of our engagement up to and including the date of final conclusion and signature of the Agreement(s). In the event of any inconsistency, the Agreement(s) shall prevail.
3. Any services rendered by BnP Capital (Pty) Ltd prior to the signing of the agreement (s), will be governed by SAA's General Conditions of Contract.

We hereby extend our congratulations to BnP Capital (Pty) Ltd and look forward to a mutually beneficial business relationship.

Directors

DC Myeni* (Chairperson), Y Kwinana*, JE Tambi* (Sierra Leonean)

*Non-Executive Director

Company Secretary - Ruth Kibuuka

South African Airways SOC Ltd

Reg. No. 1997/022444/30

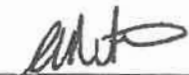
A STAR ALLIANCE MEMBER

[Handwritten signature]
[Handwritten initials]

Kindly signify your acceptance of this Letter of Award by signing below and by returning the same to Silas Matsaudza via the following e-mail: silasmatsaudza@fj.saa.com.

Should you require any further information and clarification regarding the contents hereof, kindly contact Silas Matsaudza.

Yours faithfully,



Lester Peter
Acting Chief Procurement Officer (CPO
South African Airways SOC Ltd ("SAA")

Accepted and agreed to by BnP Capital (Pty) Ltd

By: _____
Who warrants that s/he is duly authorised

Full Names: _____

Designation: _____

Date: _____



PD

Subject: GSM021/16 - RFP for the Provision of Financial Advisory Services
Date: Friday, 22 April 2016 at 07:27:55 South Africa Standard Time
From: Silas Matsaudza
To: Daniel@bnpcapital.co.za
CC: Masotsha Mngadi (mngadi.masotsha@gmail.com)



Dear Daniel

I trust that you are well.

The evaluation of proposals that were submitted in response to the aforementioned RFP has been completed and attached is the outcome.

Kind regards

Silas Matsaudza | Commodity Manager | Global Supply Management

Mobile: +2783-462-2859 | Phone: +2711-978-1629 | Fax: +2711-978-3115 | E-Mail:

SilasMatsaudza@flysaa.com

Room 403, Floor 4, Block A, Airways Park, OR Tambo International- Johannesburg- SOUTH AFRICA

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Directors

DC Myeni* (Chairperson), Y Kwinana*, JE Tambi* (Sierra Leonean)

*Non-Executive Director

Company Secretary - Ruth Kibuuka



South African Airways
4th Floor
A Block
Airways Park
Jones Road
OR Tambo International Airport

Private Bag X13
OR Tambo International Airport
1627

Tel: 27 11 978-1629

25 May 2016

BnP Capital (Pty) Ltd
Private Bag X43
Sunninghill
Sandton
2157

Attention: Daniel Mahlangu

RE: SOURCING OF FUNDS FOR SOUTH AFRICAN AIRWAYS SOC LIMITED GROUP

Dear Sir

With reference to the above, South African Airways (SOC) Ltd ("SAA") would like to congratulate BnP Capital (Pty) Ltd on being awarded the contract for the Sourcing of Funds for South African Airways SOC Limited.

Kindly note that this Letter of Award (LOA) is subject to the following conditions:

1. This LOA sets forth our understanding of the terms and conditions of our engagement, and the nature and scope of the services to be provided to SAA, in order to ensure that both parties are aware of their responsibilities in relation to this engagement.
2. This LOA and any other correspondence dealing with the subject matter, constitutes the essential elements of the terms of our engagement up to and including the date of final conclusion and signature of the Agreement(s). In the event of any inconsistency, the Agreement(s) shall prevail.
3. Any services rendered by BnP Capital (Pty) Ltd prior to the signing of the agreement (s), will be governed by SAA's General Conditions of Contract.

We hereby extend our congratulations to BnP Capital (Pty) Ltd and look forward to a mutually beneficial business relationship.

Kindly signify your acceptance of this Letter of Award by signing below and by returning the same to Silas Matsaudza, via the following e-mail silasmatsaudza@flysaa.com.

Directors

DC Myeni* (Chairperson), Y Kwinana*, JE Tambi* (Sierra Leonean)

*Non-Executive Director

Company Secretary - Ruth Kibuuka

South African Airways SOC Ltd

Reg. No. 1997/022444/30

A STAR ALLIANCE MEMBER 

PD
SLP

Should you require any further information and clarification regarding the contents hereof, kindly contact Silas Matsaudza on 011 978 1629.

Yours faithfully,



Adv. L. Peter
Acting Chief Procurement Officer
South African Airways (SOC) Ltd

Accepted and agreed to by BnP Capital (Pty) Ltd

By: _____
Who warrants that s/he is duly authorised

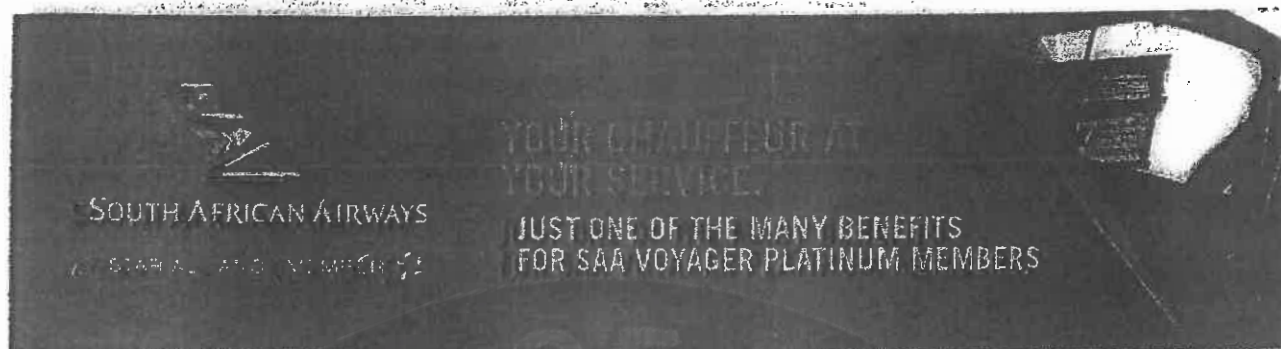
Full Names: _____

Designation: _____

Date: _____



Friday, 07 June 2019 at 09:33:22 South Africa Standard Time

Subject: Sourcing of Funds_Letter of Award**Date:** Thursday, 26 May 2016 at 10:56:11 South Africa Standard Time**From:** Silas Matsaudza**To:** Daniel@bnpcapital.co.za**CC:** Masotsha Mngadi (mngadi.masotsha@gmail.com)**Dear Daniel**

Please find attached a Letter of Award dated correctly. Please accept my apologies for the mistake.

Kind regards

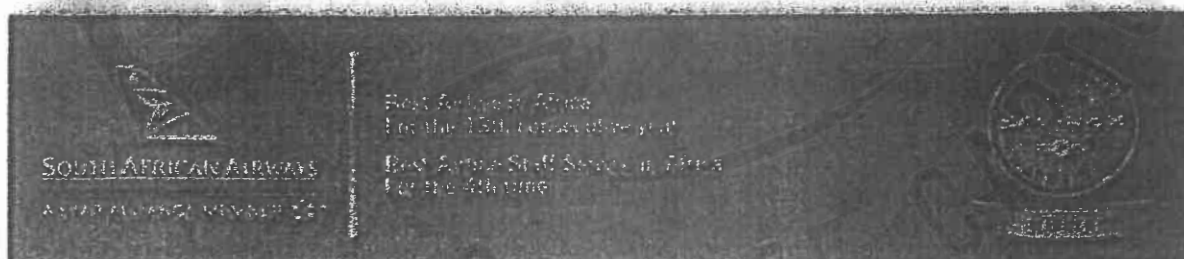
Silas Matsaudza | Commodity Manager | Global Supply Management

Mobile: +2783-462-2859 Phone: +2711-978-1629 Fax: +2711-978-3115 E-Mail:

SilasMatsaudza@saa.com

Room 403, Floor 4, Block A, Airways Park, OR Tambo International- Johannesburg- SOUTH AFRICA

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**Directors**

DC Myeni* (Chairperson), Y Kwinana*, JE Tambi* (Sierra Leonean)

*Non-Executive Director

Company Secretary - Ruth Kibuka

South African Airways SOC Ltd

Reg. No. 1997/022444/30

A STAR ALI



South African Airways
4th Floor
A Block
Airways Park
Jones Road
OR Tambo International Airport

Private Bag X13
OR Tambo International Airport
1627

Tel: 27 11 978-1629

25 March 2016

BnP Capital (Pty) Ltd
Private Bag X43
Sunninghill
Sandton
2157

Attention: Daniel Mahlangu

RE: SOURCING OF FUNDS FOR SOUTH AFRICAN AIRWAYS SOC LIMITED GROUP

Dear Sir

With reference to the above, South African Airways (SOC) Ltd ("SAA") would like to congratulate BnP Capital (Pty) Ltd on being awarded the contract for the Sourcing of Funds for South African Airways SOC Limited.

Kindly note that this Letter of Award (LOA) is subject to the following conditions:

1. This LOA sets forth our understanding of the terms and conditions of our engagement, and the nature and scope of the services to be provided to SAA, in order to ensure that both parties are aware of their responsibilities in relation to this engagement.
2. This LOA and any other correspondence dealing with the subject matter, constitutes the essential elements of the terms of our engagement up to and including the date of final conclusion and signature of the Agreement(s). In the event of any inconsistency, the Agreement(s) shall prevail.
3. Any services rendered by BnP Capital (Pty) Ltd prior to the signing of the agreement (s), will be governed by SAA's General Conditions of Contract.

We hereby extend our congratulations to BnP Capital (Pty) Ltd and look forward to a mutually beneficial business relationship.

Kindly signify your acceptance of this Letter of Award by signing below and by returning the same to Silas Matsaudza, via the following e-mail silasmatsaudza@flysaa.com.

Directors

DC Myeni* (Chairperson), Y Kwinana*, JE Tambi* (Sierra Leonean)

*Non-Executive Director

Company Secretary - Ruth Kibuka

South African Airways SOC Ltd

Reg. No. 1997/022444/30

A STAR ALLIANCE MEMBER

Handwritten signature and initials

Should you require any further information and clarification regarding the contents hereof, kindly contact Silas Matsaudza on 011 978 1629.

Yours faithfully,



Adv. L. Peter
Acting Chief Procurement Officer
South African Airways (SOC) Ltd

Accepted and agreed to by BnP Capital (Pty) Ltd

By:

Who warrants that s/he is duly authorised

Full Names:

Designation:

Date:



Friday, 07 June 2019 at 09:48:25 South Africa Standard Time

Subject: RE: Request & Motivation: Augmentation - Mandate Scope - Financial Advisory for South African Airways ("SAA")

Date: Friday, 29 April 2016 at 11:10:15 South Africa Standard Time

From: Irvine Moyo

To: 'Masotsha Mngadi', 'Daniel Mahlangu'

Received. I will forward the mandate scope on a letterhead

Regards

Irvine T Moyo

Senior Investment Associate



Direct Line: +27 (0) 11 234 0710
Mobile: +27 (0) 73 020 5377
Fax : +27 (0) 86 588 9624
Email: irvine@bnpccapital.co.za
Website: www.bnpccapital.co.za

Building 6, Tuscan Office Park,
5 Coombe Place,
Rivonia,
2121

Postnet Suite 436,
Private Bag x43,
Sunninghill, 2157

BnP Capital (Pty) Limited is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 (FAIS). FSP Number 43315.

From: Masotsha Mngadi [mailto:mngadi.masotsha@gmail.com]

Sent: Friday, 29 April, 2016 11:08 AM

To: Irvine Moyo; Daniel Mahlangu

Subject: Fwd: Request & Motivation: Augmentation - Mandate Scope - Financial Advisory for South African Airways ("SAA")

>>

>> Dear CFO

>>

>> Further to our meetings of 25 and 26 April 2016 regarding SAA's financial state of affairs, and our interrogation of the SAA financial information, including its balance sheet and income statements, it is our considered view that the Transactional Advisory mandate has to be augmented for the following reasons:

>>

>> 1) To enable the optimisation of the restructure of SAA's balance sheet to successfully implement its turnaround strategy, a more efficient funding package has to be urgently raised for and on behalf of SAA. This is because of the various tenors and pricing for each loan, which creates the lack of certainty facing SAA's financial cash flows in the short, medium and long term.

>>

>> 2) For instance, the R2bn loan from Standard Chartered is for a 3 month tenor. This means that SAA has to either frequently request the roll over of this loan, or go out to the financial markets to replace it with long-term loans. The risk to SAA of the frequent roll over request is that there is no guarantee that the lender would agree to the extension, and for what duration. Further, there is uncertainty regarding the pricing linked to each roll over as part of the terms and conditions. A recent example is the abrupt reduction of the tenor and quantum of the loan to SAA by an international bank, which led to SAA having to urgently seek its replacement, and calm the financial markets because of the concern and false instability perception about SAA this caused among SAA's other lenders and in general, as certain news media publications sought to portray.

>>

>> 3) We also noted the revision of some of the terms and conditions of the loans by a certain lender, that SAA currently have in its books, specifically the steep upward revision of the pricing thereto. This pricing increase might be increased even further, or may extend to the other SAA loans, as one of the drivers, over and above those advanced by the current SAA funders, is the possibility of a sovereign downgrade, whose guarantees underpin all these loans. The efficient funding may mitigate these uncertainties.

>

>>

>> 4) This fund raising exercise has to be addressed urgently, given the fast approaching maturity dates for some of the loans to SAA with a total amount of R7.3bn.

>>

>> 5) The scope as it is currently, does not cover this requirement. The result of this shortcoming is that the efficient restructure of SAA's balance sheet cannot be implemented. Further, part of the restructure requires the optimisation of the SAA's leases, by reducing the level of exposure to the volatile USD denominated leases, and to trade in SAA's engined fuel inefficient aircrafts in its fleet, with the more efficient aircrafts. Without first sorting out the funding requirement issue, this next important step/requirement to realise savings from a natural hedge, and less spent on fuel, cannot be effectively implemented for so long as SAA is hamstrung by continuously having to look for funding. Putting efficient funding in place will free up SAA's executive management's precious time to be able to focus on turning around the business. This will result in, among other spinoffs, SAA having extra fund raising capacity and attraction to implement this next important requirement as per this point 5.

>>

>> 6) We have the capabilities and access to funding networks and sources both locally and internationally to fulfil this augmented financial advisory requirement.

>>

>> 7) We therefore propose the augmentation of the current scope to include this bigger role as motivated above.

>>

>> 8) With regards to the additional costs attracted by this bigger role, we propose that these be agreed with SAA once the new funding is in place, taking into account how favourable its terms and conditions will be.

Yours sincerely,

Daniel Mahlangu



Tel: 011 234 0710
 Fax: 086 638 4080
 Email: vonani@bnpcapital.co.za

Tuscany Office Park
 Postnet Suit 436, Private Bag X43
 Sunninghill, 2157
 Tuscany Office Park, Building 5, Coomble Place,
 Rivonia, 2157

29 April 2016

Chief Financial Officer
 Private Bag X13,
 KEMPTON PARK,
 1627

Dear CFO

Further to our meetings of 25 and 26 April 2016 regarding SAA's financial state of affairs, and our interrogation of the SAA financial information, including its balance sheet and income statements, it is our considered view that the Transactional Advisory mandate has to be augmented for the following reasons:

1. To enable the optimisation of the restructure of SAA's balance sheet to successfully implement its turnaround strategy, a more efficient funding package has to be urgently raised for and on behalf of SAA. This is because of the various tenors and pricing for each loan, which creates the lack of certainty facing SAA's financial cash flows in the short, medium and long term.
2. For instance, the R2bn loan from Standard Chartered is for a 3 month tenor. This means that SAA has to either frequently request the roll over of this loan, or go out to the financial markets to replace it with long-term loans. The risk to SAA of the frequent roll over request is that there is no guarantee that the lender would agree to the extension, and for what duration. Further, there is uncertainty regarding the pricing linked to each roll over as part of the terms and conditions. A recent example is the abrupt reduction of the tenor and quantum of the loan to SAA by an international bank, which led to SAA having to urgently seek its replacement, and calm the financial markets because of the concern and false instability perception about SAA this caused among SAA's other lenders and in general, as certain news media publications sought to portray.
3. We also noted the revision of some of the terms and conditions of the loans by a certain lender, that SAA currently have in its books, specifically the steep upward revision of the pricing thereto. This pricing increase might be increased even further, or may extend to the other SAA loans, as one of the drivers, over and above those advanced by the current SAA funders, is the possibility of a sovereign downgrade, whose guarantees underpin all these loans. The efficient funding may mitigate these uncertainties.
4. This fund raising exercise has to be addressed urgently, given the fast approaching maturity dates for some of the loans to SAA with a total amount of R7.3bn.
5. The scope as it is currently, does not cover this requirement. The result of this shortcoming is that the efficient restructure of SAA's balance sheet cannot be implemented. Further, part of the

Director: Daniel Mahlangu

PD



Advisory & Investments

Tel: 011 234 0710
 Fax: 086 638 4080
 Email: vonani@bnpcapital.co.za

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 Sunninghill, 2157
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 Rivonia, 2157

restructure requires the optimisation of the SAA's leases, by reducing the level of exposure to the volatile USD denominated leases, and to trade in SAA's engined fuel inefficient aircrafts in its fleet, with the more efficient aircrafts. Without first sorting out the funding requirement issue, this next important step/requirement to realise savings from a natural hedge, and less spent on fuel, cannot be effectively implemented for so long as SAA is hamstrung by continuously having to look for funding. Putting efficient funding in place will free up SAA's executive management's precious time to be able to focus on turning around the business. This will result in, among other spinoffs, SAA having extra fund raising capacity and attraction to implement this next important requirement as per this point 5.

6. We have the capabilities and access to funding networks and sources both locally and internationally to fulfil this augmented financial advisory requirement.
7. We therefore propose the augmentation of the current scope to include this bigger role as motivated above.
8. With regards to the additional costs attracted by this bigger role, we propose that these be agreed with SAA once the new funding is in place, taking into account how favourable its terms and conditions will be.

Yours sincerely,

Daniel Mahlangu
 CEO

Director: Daniel Mahlangu

Friday, 07 June 2019 at 09:46:33 South Africa Standard Time

Subject: Proposed Fees - GSM021/16 - for Raising/Arranging Long Term Efficient Funding for and on behalf of the South African Airways ("SAA")

Date: Thursday, 12 May 2016 at 08:01:50 South Africa Standard Time

From: Masotsha Mngadi

To: Irvine Moyo, Thamsanqa Netha, Daniel Mahlangu

Dear CEO/CFO

The fee structure for the fund raising/arranging regarding the GSM021/16 referenced transaction, for and on behalf of SAA, is as follows - given:

- 1) The current difficult financial position of SAA;
- 2) The adverse effects and challenges for SAA to attract funding as a result of, among others, this difficult financial position,
- 3) The saturation/ceiling reached by SAA, as a result that SAA has exhausted all its current government guarantees facilities and the resultant concomitant challenge to secure further/additional, efficient, long tenor debt;
- 4) The discomfort by SAA's lenders/creditors of, among other issues, SAA's financial position, as evidenced by the financial markets reluctance to commit to long term funding to SAA, repricing pricing upwards, the reduction/reluctance of increasing financial exposures to SAA, requiring government guarantees even on short term exposures to SAA, and the like,

We propose:

- 1) An upfront raising & arranging fee of 1.25% of the funding raised, provided that,
- 2) The total savings realised by SAA on the current debt profile compared to the profile of the new funding raised, as a result of the efficiency of this new funding, taking into account its cheaper pricing, the capital holiday that would allow SAA breathing space to implement its turnaround strategy, the long-term tenor that achieves funding certainty and other favourable terms, exceeds 20%, an additional fee of 1%, payable over a period of 6 to 12 months from the date when this transaction is consummated.

We trust that this will receive your favourable consideration.

Yours sincerely,

Daniel Mahlangu

PDM 11

Tel: 011 234 0710

Fax: 086 638 4080

Email: vonani@bnpcapital.co.za

**BnP CAPITAL**

Advisory & Investments

Tuscany Office Park
Postnet Suit 436, Private Bag X43
Sunninghill, 2157Tuscany Office Park, Building 5, Coomble Place,
Rivonia, 2157

12 May 2016

Chief Financial Officer
Private Bag X13,
KEMPTON PARK,
1627

Dear CEO/CFO

The fee structure for the fund raising/arranging regarding the GSM021/16 referenced transaction, for and on behalf of SAA, is as follows - given:

- 1) The current difficult financial position of SAA;
- 2) The adverse effects and challenges for SAA to attract funding as a result of, among others, this difficult financial position,
- 3) The saturation/ceiling reached by SAA, as a result that SAA has exhausted all its current government guarantees facilities and the resultant concomitant challenge to secure further/additional, efficient, long tenor debt;
- 4) The discomfort by SAA's lenders/creditors of, among other issues, SAA's financial position, as evidenced by the financial markets reluctance to commit to long term funding to SAA, repricing pricing upwards, the reduction/reluctance of increasing financial exposures to SAA, requiring government guarantees even on short term exposures to SAA, and the like,

We propose:

- 1) An upfront raising & arranging fee of 1.25% of the funding raised, provided that,
- 2) The total savings realised by SAA on the current debt profile compared to the profile of the new funding raised, as a result of the efficiency of this new funding, taking into account its cheaper pricing, the capital holiday that would allow SAA breathing space to implement its turnaround strategy, the long-term tenor that achieves funding certainty and other favourable terms, exceeds 20%, an additional fee of 1%, payable over a period of 6 to 12 months from the date when this transaction is consummated.

We trust that this will receive your favourable consideration.

Yours sincerely,

Daniel Mahlangu
CEO

Director: Daniel Mahlangu

PD

Gomolemo Mabokela

From: Masotsha Mngadi <mngadi.masotsha@gmail.com>
Sent: Tuesday, 31 May 2016 07:53
To: Irvine Moyo; Daniel Mahlangu
Subject: Motivation for the 50% Cancellation Fee of BNP Capital's Total Fees Pursuant to its SAA Mandate.
Attachments: Letter of Award_Sourcing of Funds_BnP Capital (Pty) Ltd.pdf

Hi Irvine,

Please include the letter below, on BNP Capital's letterhead, to be kindly signed by Dan, and to be sent to SAA this morning still, as SAA has to table it to its board for approval.

Dear Phumeza,

We trust that you are well.

This motivation for the 50% cancellation fee, is to be read with, and forms part of, the email, sent to yourself and the SAA CEO last week, that introduced the cancellation fee of 50% of the fees that BNP Capital charged SAA in/for our mandate to source efficient funding and restructure SAA's balance sheet.

BNP Capital is incurring costs for, among others, sourcing, in conjunction with its partners, the funding globally, for and on behalf of SAA, including from our Chinese, Abu Dhabi, European and Brazilian funding partners.

We hopefully will be permitted by SAA to successfully conclude the mandate to raise efficient funding and restructure SAA's balance sheet as part of SAA's turnaround strategy. Should SAA terminate this mandate before its fulfillment, because of matters/issues outside of BNP Capital's control, BNP Capital's partners/stakeholders, have a cancellation fee, in USD, against BNP, due to the costs incurred of flying around the world to source funding for and on behalf of SAA. Please note that, the 50% of the fees, that we asked for, equate to BNP's actual cancellation costs.

We hope that this will never come to fruition, however, we have to cater for this undesirable eventuality.

Kindly acknowledge receipt.

Thank you in anticipation.

Yours sincerely,

Daniel Mahlangu
BNP Capital

----- Forwarded message -----

From: "Silas Matsaudza" <SilasMatsaudza@flysaa.com>
Date: 26 May 2016 10:57
Subject: Sourcing of Funds_Letter of Award
To: "Daniel@bnpcapital.co.za" <Daniel@bnpcapital.co.za>
Cc: "Masotsha Mngadi (mngadi.masotsha@gmail.com)" <mngadi.masotsha@gmail.com>



BnP Capital
Summit House
15 School Rd, Morningside 2196
Postnet Suite 436 Private Bag x43 Sunninghill 2157
T +27 (0) 11 783 7156 F + 27 (0) 11 783 0972
E daniel@bnpcapital.co.za

South African Airways
4th Floor, A Block
Airways Park
Jones Road
OR Tambo International Airport

31 May 2015

RE: Sourcing of Funds for South African Airways

Dear Phumeza,

This motivation for the 50% cancellation fee, is to be read with, and forms part of, the email, sent to yourself and the SAA CEO last week, that introduced the cancellation fee of 50% of the fees that BNP Capital charged SAA in/for our mandate to source efficient funding and restructure SAA's balance sheet.

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We hope that this will never come to fruition, however, we have to cater for this undesirable eventuality.

Kindly acknowledge receipt. Thank you in anticipation.

Yours sincerely,

Daniel Mahlangu
CEO, BNP Capital

Gomolemo Mabokela

From: Masotsha Mngadi <mngadi.masotsha@gmail.com>
Sent: Thursday, 26 May 2016 08:43
To: Irvine Moyo; Daniel Mahlangu
Subject: R15bn Loan to SAA - Term Sheet 1 & Term Sheet 2 For SAA's Consideration
Attachments: LOAN TERMSHEET SAA 2sign.pdf; LOAN TERMSHEET SAA 1-sign.pdf

Dear Phumeza/Musa

Further to our discussion, regards sourcing funding for the consolidation of SAA's debt, please find attached under cover hererof the 2 term sheets for your kind consideration.

Looking forward to your response.

Yours sincerely,

Daniel Mahlangu.



Monday, 10 June 2019 at 10:05:36 South Africa Standard Time

Subject: Motivation for the 50% Cancellation Fee of BNP Capital's Total Fees Pursuant to its SAA Mandate.

Date: Tuesday, 31 May 2016 at 07:52:57 South Africa Standard Time

From: Masotsha Mngadi

To: Irvine Moyo, Daniel Mahlangu

Hi Irvine,

Please include the letter below, on BNP Capital's letterhead, to be kindly signed by Dan, and to be sent to SAA this morning still, as SAA has to table it to its board for approval.

Dear Phumeza,

We trust that you are well.

This motivation for the 50% cancellation fee, is to be read with, and forms part of, the email, sent to yourself and the SAA CEO last week, that introduced the cancellation fee of 50% of the fees that BNP Capital charged SAA in/for our mandate to source efficient funding and restructure SAA's balance sheet.

BNP Capital is incurring costs for, among others, sourcing, in conjunction with its partners, the funding globally, for and on behalf of SAA, including from our Chinese, Abu Dhabi, European and Brazilian funding partners.

We hopefully will be permitted by SAA to successfully conclude the mandate to raise efficient funding and restructure SAA's balance sheet as part of SAA's turnaround strategy. Should SAA terminate this mandate before its fulfillment, because of matters/issues outside of BNP Capital's control, BNP Capital's partners/stakeholders, have a cancellation fee, in USD, against BNP, due to the costs incurred of flying around the world to source funding for and on behalf of SAA. Please note that, the 50% of the fees, that we asked for, equate to BNP's actual cancellation costs.

We hope that this will never come to fruition, however, we have to cater for this undesirable eventuality.

Kindly acknowledge receipt.

Thank you in anticipation.

Yours sincerely,

Daniel Mahlangu
BNP Capital

----- Forwarded message -----

From: "Silas Matsaudza" <SilasMatsaudza@flysaa.com>

Date: 26 May 2016 10:57

Subject: Sourcing of Funds Letter of Award

To: "Daniel@bnpcapital.co.za" <Daniel@bnpcapital.co.za>

Cc: "Masotsha Mngadi (mngadi.masotsha@gmail.com)" <mngadi.masotsha@gmail.com>



Monday, 10 June 2019 at 10:06:28 South Africa Standard Time

Subject: Draft Memorandum of Understanding between Grissag AG and BMP Capital

Date: Friday, 10 June 2016 at 09:15:51 South Africa Standard Time

From: Masotsha Mngadi

To: Daniel Mahlangu, Irvine Moyo

Gents,

Whilst we wait for SAA's contract, please find attached under cover hererof the draft MoU that Grissag AG proposes we conclude. It's based on a previous draft, so a lot of clauses are irrelevant to our intended JV.

Peter is coming to Johannesburg on Monday. I suggest we kindly meet with him on Monday afternoon, say at 14h00.

In the meantime, please peruse the draft MoU, and suggest amendments that BNP Capital would like to include / exclude in the MoU between Grissag AG and BNP Capital.

Thanks, kindest regards.

Masotsha

----- Forwarded message -----

From: "Pieter van der Merwe" <pjvdmerwe@gcs.co.za>

Date: 09 Jun 2016 14:40

Subject: RE: Stamped, signed off term sheet.

To: "Masotsha Mngadi"



22

PDM17

Friday, 07 June 2019 at 09:28:17 South Africa Standard Time

Subject: RE: BNP Capital / Grissag AG Services for & on behalf of SAA
Date: Tuesday, 14 June 2016 at 15:01:12 South Africa Standard Time
From: Irvine Moyo
To: 'Daniel Mahlangu'
CC: 'Masotsha Mngadi'

Dear Dan

The Cancellation Clause to be set to SAA.

Irvine T Moyo
 Senior Investment Associate



Direct Line: +27 (0) 11 234 0710
Mobile: +27 (0) 73 020 5377
Fax: +27 (0) 86 588 9624
Email: irvine@bnpcapital.co.za
Website: www.bnpcapital.co.za

Building 6, Tuscany Office Park,
 5 Coombe Place,
 Rivonia,
 2121

Postnet Suite 436,
 Private Bag x43,
 Sunninghill, 2157

BNP Capital (Pty) Limited is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 (FAIS). FSP Number 43315.

From: Masotsha Mngadi [mailto:mngadi.masotsha@gmail.com]
Sent: Tuesday, 14 June, 2016 2:44 PM
To: Daniel Mahlangu; Irvine Moyo
Subject: Fwd: BNP Capital / Grissag AG Services for & on behalf of SAA

>> Dear Phumeza,

>

> At the outset, we state that the South African Airways ("SAA") is our most valued client, whose business we greatly appreciate, and state our commitment to go above and beyond to fulfil the mandate given to us by SAA.

>

> We share a common vision with SAA to put in place an efficient, long term funding solution that will assist to implement SAA's turnaround strategy.

>

> However, in the undesired and unlikely event of SAA, for whatever reason, deciding to cancel our mandate before its fulfillment, beyond the control of BNP Capital, the costs, made up of the work and disbursements of both BNP Capital and its funding partners, are stated further below.

>>

>> On 3 June 2016, during the National Treasury /SAA /SAA funders meeting, the key points were:

>>

> > 1) The funding currently in place would be rolled over, over the various tenors offered by various institutions, with the clear understanding that a consolidated debt funding solution must be finalised by SAA. Indeed certain funders noted that the funding was a "bridge" - this interim funding should be replaced by long term funding;

> >

> > 2) The National Treasury stated that further financial support would be provided once the governance and compliance milestones have been achieved, including beefing up the board; put differently, until the going concern issues surrounding SAA are resolved, meaning that SAA faces challenges to attract long term efficient funding. It should be noted that all the funders with a presence in South Africa that are funding SAA were represented. So the total pool of funding for SAA was exhausted/ covered by these funders.

> >

> > 3) Each time the funding institutions roll over their funding, they increase their funding interest rates, thus taking advantage of the challenging position facing SAA.

> >

> > The above key points above serve to put into perspective the enormous challenge facing BNP Capital and its funding partners to execute the long debt funding solution for and on behalf of SAA. It is a challenge that we excitedly accept and embrace in partnership with SAA, to ensure SAA's successful turnaround strategy implementation.

> >

> > In the fulfilment of the above mandate, the following tasks are being implemented:

> >

> > BNP CAPITAL

> >

> 1) BNP Capital has, from the date of the mandate by / from SAA, put together a dedicated team of professionals, with various expertise and track records in the fulfilment of our mandate, in the fundraising exercise from our Global partners, including the Chinese (China Development Bank), The Middle East (Etihad in Abu Dhabi), Brazil, Canada and Europe (Grissag AG).

>

> 2) This entails the continuous incurring of both man hours and disbursements in the coordination and the execution of the above.

>

> >

> > GRISSAG AG

> >

> > 1) Grissag AG has been chosen and tasked to find a total of ZAR15bn from its various long-term investments around the globe, because of their efficient funding terms as listed below.

>

> > 2) This entails breaking up those investments, and consequently the incurring of breakage costs, to achieve this fundraising of R15bn.

>

> 3) The breakage costs' quantum increase because of the staggered make-up of the amount of R15bn. This is because we have tailored the amount of R15bn to mirror the loan amounts that SAA has to repay to each respective funder as each loan becomes due and repayable, with the concomitant guarantees that would be released and become available following the repayment of these loans, so that SAA would make these guarantees available to Grissag AG. A further breakdown of the make-up of R15bn is:

> a) USD200m was the initial quantum that Grissag AG made available, as evidenced by the proof of funds that was demonstrated through the Standard Bank Bedfordview branch;

> b) A further amount of USD400m has been raised - Grissag AG will send the proof of funds of this amount by around 16 June 2016; &

> c) The difference between USD600m (the total amount raised as above) and R15bn is being raised currently, to complete the quantum of R15bn.

>

> > 4) Following the written request from SAA of a term sheet that required proof of our ability,

firstly, to raise this funding, and secondly, to provide the terms attached to the funding raised, 4 directors were dispatched to Paris, France, on 1 June 2016. These directors came from, among other countries, Brazil, Canada, Russia.

>

>> 5) In putting together the term sheets, for and on behalf of SAA, these directors have sent SAA 2 term sheets for SAA to choose their preferred choice. Grissag AG has had to keep these directors in Paris from 1 to 8 June 2016, whilst waiting for the receipt of SAA's preferred option, in the process incurring flights and accommodation costs, among others, in €/€ to execute the sourcing of the required funds.

>

>> 6) In addition, we have had to provide proof of funds, to demonstrate access thereto - Grissag AG incurs costs to put these in place as above.

>

>> 7) To mitigate Grissag AG's losses in the event of SAA cancelling BNP Capital's mandate as above, Grissag AG will invoice BNP Capital with the cancellation charges in an USD5m to recover / compensate for its costs and the work involved in its fundraising execution, including the breakage costs of the amounts as above.

>

>> 8) Regards the term sheets options given to SAA, we submit, with respect, that the terms secured - including the long term tenor, capital payment holiday of 5 years, efficient interest rates, the requirement of less government support compared to any of the current SAA funders - all these terms are more efficient than any and all the terms currently offered by SAA's funders. Whilst our terms are much better than what SAA is able to command in the financial markets, the unconditional term sheets, are on their own, not binding contracts to SAA. It is axiomatic that these only become binding once all the contracts have been concluded between the funders and SAA, and all the conditions, if any, have been fulfilled.

>>

>> This schedule above also serves to demonstrate the justification for the cancellation fee clause.

>

> We reiterate that we look forward to working in partnership with SAA to make this project a success.

>>

Yours sincerely,

>>

Daniel Mahlangu

Friday, 07 June 2019 at 09:26:56 South Africa Standard Time

Subject: Fwd: FW: FW: cis**Date:** Tuesday, 21 June 2016 at 14:36:08 South Africa Standard Time**From:** Masotsha Mngadi**To:** Irvine Moyo, Daniel Mahlangu

Hi Irvine,

Further to SAA's limited due diligence questions sent for Grissag AG completion yesterday, please find attached under cover hererof the first of a number of documents that I kindly request you to print and collate. I will send the rest of the documents to you shortly.

You and I will, tomorrow, kindly assist Grissag AG by completing this questionnaire and send to Grissag AG for them to put same on their letterhead, which completed document will be sent to SAA for their kind attention and records.

Grissag AG SA do not have an FSB licence - only Grissag AG UK does. This loan transaction for and on behalf of SAA is, however, being consummated by Grissag AG SA.

For this purpose, Grissag AG SA has requested BNP Capital to form a joint venture agreement with them for the purpose of the loan transaction for and on behalf of SAA. The second agreement you kindly printed yesterday for Dan and myself is intended to regulate this JV agreement. For this purpose, Grissag AG SA has re requested to use BNP Capital's FSB licence for the purposes of completing this questionnaire.

Please clear this with Dan.

Please let me know what time tomorrow should I attend at your offices for us to complete this questionnaire.

I will send the rest of the Grissag AG's documents to you shortly.

Thanks, kindest regards.

Masotsha

----- Forwarded message -----

From: "Pieter van der Merwe" <pijvdmerwe@gcs.co.za>

Date: 20 Jun 2016 14:25

Subject: FW: FW: cis

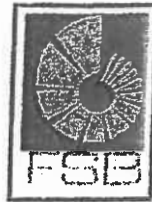
To: <mngadi.masotsha@gmail.com>

Cc:



Virus-free. www.avast.com

2011/00263/FSP
02/12/2011



FINANCIAL SERVICES BOARD

LICENCE No. 43315

FINANCIAL SERVICES PROVIDER
Financial Advisory and Intermediary Services Act, 2002

It is hereby certified that with effect from 8 November 2011

BNP CAPITAL (PTY) LTD

**IS LICENSED AS A FINANCIAL SERVICES PROVIDER IN TERMS OF SECTION 8 OF THE
FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (ACT NO. 37 OF 2002)**
subject to the conditions and restrictions set out in the Annexure

REGISTRAR OF FINANCIAL SERVICES PROVIDERS



This document to be displayed in terms of section 8(8)(a) of the Act. The Annexure to be available for the information of clients

VONANI MATHEBULA CA(SA)
COMMISSIONER OF OATHS (RSA)
S.I.C.A No 09410131
SUMMIT SQUARE
15 SCHOOL ROAD
MORNINGSIDE 2198

**CERTIFIED A TRUE COPY
OF THE ORIGINAL**

23/6/2016

FINANCIAL SERVICES BOARD

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Pretoria South Africa 0081 PO Box 35655 Menlo Park Pretoria South Africa 0102
Tel +27 12 428 8000 Fax +27 12 346 6941 E-mail info@fsb.co.za
Toll free 0800 110443/0800 202087 website:www.fsb.co.za



ENQUIRIES:	Ms Rialivhuwa Mudau	D. DIALING NO.:	(012) 367 7290 / 7218
OUR REF:	Case No: 602387 FSP No: 43315	FAX:	(012) 422 2973
DATE:	26 April 2016	E-MAIL:	Rialivhuwa.Mudau@fsb.co.za

PRIVATE AND CONFIDENTIAL

MR PD MAHLANGU
BNP CAPITAL (PTY) LTD
POSTNET SUITE X436
PRIVATE BAX 43
SUNNINGHILL
SANDTON
2157

Per electronic mail: daniel@bnpcapital.co.za

Dear Sir / Madam

NOTICE OF SUSPENSION OF AUTHORISATION: BNP CAPITAL (PTY) LTD (FSP NUMBER: 43315) ("THE LICENSEE")

1. The notice of intention to suspend the authorisation of the licensee dated 18 March 2016 refers.
2. For the record, in terms of the abovementioned intention letter you were afforded an opportunity to provide this office with your response before end of business day 31 March 2016, but you failed to utilise this opportunity that was at your disposal.
3. The licensee is hereby notified of the decision of the Registrar of Financial Services Providers (Registrar) to suspend its licence to act as a financial services provider in terms of section 9(1) read with section 9(2) of the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (Act).
4. **GROUND OFS OF SUSPENSION**

The grounds of the suspension are as follows:

[Handwritten signature]
M. S. S.

- The key individual of the licensee does not meet or no longer meets the fit and proper requirements applicable to the licensee and/or key individual.

5. REASONS FOR SUSPENSION

The reasons that inform the grounds for the Registrar's decision to suspend the licensee's authorisation are set out below.

- In terms of section 10 of the Determination of Fit and Proper Requirements for Financial Services Providers, 2008 (the Determination of Fit and Proper Requirements), read with Board Notice 105 of 2008 and subject to any exemptions granted, all FSPs (who are sole proprietors) and key individuals authorised and approved during the period 30 September 2004 to 31 December 2009 must have successfully completed the relevant first level of regulatory examinations, applicable to the Categories or subcategories for which they are authorised or approved.
- The Registrar's records reflect that the key individual listed in the Table below has failed to successfully complete the relevant first level regulatory examinations in contravention of section 10 of the Determination of Fit and Proper Requirements.

ID	Name
730115 5649 08 5	Mr Pholisani Daniel Mahlangu

- The key individual of the licensee does not meet or no longer meets the fit and proper requirements and in particular the requirement to have successfully completed the relevant regulatory examinations.

6. SUSPENSION OF LICENCE

The licensee's licence is hereby suspended with immediate effect based on the grounds and reasons detailed above.

6.1. Period of suspension

- (a) The licensee's authorisation is suspended for a period of three months from the date of this notice.

AD

- (b) The suspension may be lifted at any time during the period referred to in paragraph (a) if the licensee complies with the terms for the lifting of the suspension referred to in in subparagraph (b) of paragraph 6.2.

6.2. Terms attached to the suspension

The Registrar attaches the following terms to the suspension of the licensee's licence:

(a) General terms

- i. The licensee must inform all affected clients and product suppliers concerned that its licence has been suspended.
- ii. The licensee is prohibited from concluding any new business as envisaged by the Act with immediate effect.
- iii. The licensee must in consultation with the clients and product suppliers concerned, take reasonable steps to ensure that any outstanding business is transferred to another authorised FSP in the best interest of the clients.

(b) Terms for the lifting of the suspension

The licensee must-

- i. rectify all the contraventions and/or non-compliances referred to in this letter in order for the Registrar to consider the lifting of the suspension of its authorisation and must submit proof of such compliance;
- ii. submit proof that it had complied with the General terms of the suspension; and
- iii. in the case of non-compliance with section 17(4), 19(2) and/or 19(3) of the Act and/or section 15A of the FSB Act, submit the outstanding financial statement(s) and/or report(s) and/or proof of payment of the prescribed levy to the Registrar via one of the following methods only:
 - (aa) electronic mail to the FAIS Compliance Department at Rialivhuwa.Mudau@fsb.co.za; or
 - (bb) mail or hand delivery for attention FAIS Compliance Department: Regulatory Action.

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The Licensee may in terms of section 39 of the Act and section 26(2) of the Financial Services Board Act, 1990 (FSB Act), appeal against the decision of the Registrar. Such appeal must be lodged-

- (a) with the secretary of the Board of Appeal; and
- (b) **within 30 days** after the decision of the Registrar to withdraw the licensee's licence becomes known to the licensee.

The procedure for lodging an appeal is set out on the website of the FSB at www.fsb.co.za. Any query relating to an appeal can be directed to leg.appealboard@fsb.co.za.

8. NOTICE OF INTENTION TO WITHDRAW THE LICENSEE'S AUTHORISATION AND TERMS OF INTENDED WITHDRAWAL

8.1. This letter further serves as a notice of the Registrar's intention to withdraw the licensee's authorisation to act as a financial services provider in terms of section 9(1) read with section 9(2) of the Act should the licensee fail to rectify all the contraventions and/or non-compliances referred to in this letter by **22 July 2016**.

8.2. The grounds for the Registrar's intended decision to withdraw the licensee's licence are listed in paragraph 4 above and the reasons that inform those grounds are detailed in paragraph 5 above.

8.3. The Registrar intends to attach the following terms to the withdrawal of the licensee's licence:

- (a) The licensee must inform all affected clients and product suppliers concerned that its licence has been withdrawn.
- (b) The licensee is prohibited from concluding any new business as envisaged by the Act.
- (c) The licensee must in consultation with the clients and product suppliers concerned, take reasonable steps to ensure that any outstanding business is transferred to another authorised FSP in the best interest of the clients.

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8.4 The licensee is hereby afforded an opportunity to provide reasons to the Registrar as to why the withdrawal of its authorisation as contemplated in paragraph 8.1 read with paragraph 8.2 should not be effected and/or why the terms should not be attached to the withdrawal. Such reasons are to be furnished by not later than 08 July 2016. If no response is received within the prescribed period this Office will proceed with the withdrawal of the licence.

Yours sincerely



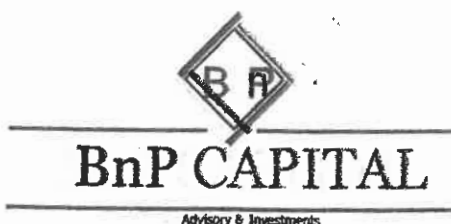
CDAS ILVA

DEPUTY REGISTRAR OF FINANCIAL SERVICES PROVIDERS



PS

PDM 2



BnP Capital
Summit House
15 School Rd, Morningside 2196
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T +27 (0) 11 783 7156 F + 27 (0) 11 783 0972
E daniel@bnpcapital.co.za

South African Airways
4th Floor
A block
Airways Park
Jones Road
OR Tambo International Airport

Dear Ms Nhantsi,

Re: Bid Number RFP GSM 012/16

I would like to clarify the issue of the Financial Services Board ("FSB") licence. BnP Capital ("BnP") received a letter from the FSB dated 12.05.2016 indicating its intention to temporary suspend BnP licence for a period of three months based on the reason that according to the FAIS Act section 10, the Key Individual failed to successfully complete the first level regulatory examinations applicable to the categories/sub categories for which they are authorised or approved.

The letter indicated the terms of the lifting of the suspension. Some of the terms included the compliance with the Fit and Proper requirements as per the FAIS Act. The only requirement was that BnP Key Individual must write the first level regulatory exams applicable to the categories.

However, the conditions of suspension require that BnP work with another authorised Financial Service Provider until it has fulfilled all its suspension conditions. Accordingly, we have engaged Crede Capital Partners of which its licence has been attached.

I hope the above is in order.

Yours faithful

BnP Director
Daniel Mahlangu

PD

Sibusiso Sibisi

From: Masotsha Mngadi <mngadi.masotsha@gmail.com>
Sent: Saturday, 13 February 2016 7:10 AM
To: Irvine Moyo
Subject: RE: Request - RFP - Transaction Adviser - SAA Fund Raising & Balance Sheet Restructuring

Hi Irvine,

I recommend the following amendments:

- 1) Please delete the reference to Masotsha Mngadi in its entirety, & its place kindly include Brandon King;
- 2) Please include the following as the company profile of Inline Trading 10 (Proprietary) Limited's company profile (I cannot insert it as the document you sent through is a Read Only document)

"Inline Trading 10 (Proprietary) Limited's expertise is in funds management, automotive and the aviation sector. Inline Trading's expertise and track record has been accumulated for a period in excess of 10 years."

Thanks, kindest regards.

Masotsha Mngadi

Dear Masotsha

Please find attached the draft RFI response. Insert your company profile on section 1.2.2. Thank you

Irvine T Moyo

Senior Investment Associate



BNP CAPITAL

Advisory & Investments

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Mobile: +27 (0) 73 020 5377

Fax : +27 (0) 86 588 9624

Email: irvine@bnpcapital.co.za

PD

Wopathembu

From: Masotsha Mngadi <mngadi.masotsha@gmail.com>
Sent: Friday, April 22, 2016 3:03 PM
To: Irvine Moyo
Subject: Memorandum of Understanding between BHP Capital and Grissag AG

Dear Peter,

Please find attached under cover hererof, a mandate from South African Airways ("SAA"), whereby SAA, among other mandates BHP Capital to raise and arrange funding for and on behalf of SAA, for the purposes of the consolidation of SAA's debt of ZAR15bn.

We undertake to utilise Grissag AG to raise the funding necessary for the purpose above.

To this end, we will facilitate the conclusion of the term sheet incorporating all the terms and conditions to be agreed between Grissag AG and SAA, including, but not limited, the requirement by Grissag AG for SAA to obtain and provide the South African sovereign guarantee necessary to underpin/guarantee the funding to be provided by Grissag AG to SAA, as per the terms and conditions in the term sheet.

Once all the terms and conditions between the parties have been finalised and agreed, we will facilitate the speedy conclusion of all the necessary contracts forming part of the transaction of this nature between the parties.

On receipt of this Memorandum of Understanding plus our mandate, we request that Grissag AG provides us with proof of funds, in writing, a step necessary for the parties to finalise the term sheet that will form the basis of this transaction. We request that the proof of funds be sent to us by no later than the close of business on 26 April 2016. At the outset, we request proof of funds in an amount between ZAR3bn to ZAR7bn.

Looking forward to your response.

Kindly acknowledge receipt.

Yours sincerely,

Irvine Moyo.

PD