

16 August 2018

## **Media Statement: Letters of Intention On Precautionary Suspension**

The Board of Transnet has served letters of intention to place on precautionary suspension three senior employees, Transnet Group Chief Executive Mr Siyabonga Gama, Transnet Engineering Chief Executive, Mr Thamsanqa Jiyane and Transnet Executive Manager Ms Lindiwe Mdletshe.

Reports from Werksmans Attorneys, Mncedisi Ndlovu & Sedumedi Attorneys and Fundudzi Forensic Investigators, revealed various acts of possible misconduct against the three employees.

These reports recommended further investigations to be conducted to establish the extent of the misconduct. The Transnet Board contemplates placing the employees on precautionary suspension until the finalization of the further investigations and disciplinary enquiries.

Misconduct identified includes amongst others contraventions of:

- the Constitution of the Republic Of South Africa
- PFMA
- PPPFA and its regulations
- Transnet's internal procurement policies in the issuance of the RFPs,
- the Companies Act & Fiduciary Duties,
- Improper changing of evaluation criteria and failure to comply with government policy on local content requirements.

With regard to Mr Gama, there are allegations that he wrongfully obtained his MBA with the help of a service provider to Transnet.

In view of the seriousness of the alleged transgressions, the Transnet Board is concerned that the continued presence of the three employees, given their seniority and influence might interfere with and jeopardise the investigation.

The Transnet Board has given the three employees until the close of business on Monday, 20 August 2018 to make written submissions on why they should not be suspended.

### **Issued on behalf of Transnet Board of Directors**

By: Dr Popo Molefe, Chairperson of the Transnet Board

### **For more enquiries please contact:**

Nompumelelo Kunene

External Communication

011 308 2384

0810466087

[Nompumelelo.kunene2@transnet.net](mailto:Nompumelelo.kunene2@transnet.net)

### **About Transnet**

Transnet is wholly owned by the Government of the Republic of South Africa. The company is uniquely positioned to provide integrated, seamless transport solutions for its customers in the bulk and manufacturing sectors. This is part of its drive to improve the efficiency and competitiveness of the South African economy.

Transnet has five operating divisions:

**Transnet Freight Rail** transports bulk and containerised freight along 20 500 kilometres of which 1 500 kilometres comprises heavy haul lines for export coal and export iron ore.

**Transnet Advanced Manufacturing, also known as Transnet Engineering** manufactures and maintains rolling stock. It consists of eight product-focused business units which provide services ranging from rolling stock refurbishment, conversion and upgrades, to the manufacturing of locomotives, coaches and wagons.

**Transnet National Ports Authority is** responsible for the safe, efficient and effective functioning of the national ports system, which it manages in a landlord capacity. The National Ports Authority is also a provider of port infrastructure and marine services at all commercial ports in South Africa.

**Transnet Port Terminals** owns and operates 16 cargo terminal operations situated at seven South African ports. It provides cargo-handling services for the container, bulk, automotive and break-bulk sectors.

**Transnet Pipelines** transports a range of petroleum products and gas through 3 000 kilometres of underground pipelines, which traverse five provinces, thereby ensuring the security of supply of petroleum products to the inland market, especially Gauteng. Transnet Pipelines is gearing itself for full commissioning of the new Multi-Product Pipeline.

***Specialist units:***

**Transnet Capital Projects** manages our largest capital projects;

**Transnet Foundation** is responsible for executing our Corporate Social Investment initiatives.

**Transnet Property** manages our property portfolio.