

Brand South Africa Holding Statement - 31 March 2019

Brand South Africa has noted a number of issues that are receiving media coverage and interest, regarding the state of affairs in the organisation. We are also aware of various allegations being made through the media. We would like to emphasise our stance and respond as follows:

Employee Relations

- Brand South Africa conducts its business in line with all relevant legislative principles in South Africa, including the Labour Relations Act, of fairness and equity in the workplace.
- We have an obligation to follow through on any whistle-blowing matters that are brought to our attention, without fear or favour.
- This means that all employees, even those employed as senior officials at Executive Director level, are subject to these principles, and all complaints must be heard.
- Our employee relations policies and procedures are geared to protect all parties while safeguarding their integrity and the image of the organisation.
- We will not divulge details on labour related disputes in public but we will pronounce on these once all processes have been concluded.
- As an organisation, we are managing and fast-tracking all disciplinary processes in order to reach a conclusion on each matter.
- Brand South Africa will communicate fully, once all these processes are concluded.
- As the Board, we have followed due process, with all parties being treated fairly and with respect at all times. We firmly believe in innocence until proven otherwise.

Disciplinary Matters

All disciplinary processes are being conducted on an independent and objective basis by independent objective chairpersons.

Chief Executive Officer

- The CEO, is on suspension while he is going through a disciplinary process. He has only been cleared of one charge out of four, so he remains suspended until the disciplinary process is completed.
- The Board would like to acknowledge that there have been several delays in the process that were beyond its control, these include requests for postponement of hearings by Dr. Makhubela, as well as the presiding independent Chairperson, however the Board is doing its best to expedite the process to be concluded.
- Once again, the Board will not disclose his charges in the public domain, as we have a duty to abide with employer-employee confidentiality.

Chief Financial Officer

- The Chief Financial Officer was suspended on 7 March, as a result of an investigation which followed a whistle blowing report.
- Disciplinary processes to this effect are underway.

- The Board will not disclose any details related to disciplinary procedures in the public domain.

Chief Marketing Officer

- The former CMO, went through a disciplinary process, where she was presented with 18 charges.
- She was found guilty of 12 and was dismissed as a result of that process.
- She has however decided to pursue this matter at the CCMA.
- We will once again, as a responsible Board, follow due diligence and respect the process accordingly.

Employee morale

- The Board is acutely aware that, while the organisation undergoes changes, employees will be uneasy, however we are doing our best to ensure that they are engaged, supported and motivated in order to continue delivering on set objectives.
- The appointment of the Director Corporate Services in January, is to oversee that support and employee relations programmes are prioritised and continuously executed.
- Brand South Africa has the responsibility to investigate all allegations against its employees irrespective of the level of seniority.
- The fact that two senior executives are undergoing disciplinary processes and that one senior executive has been dismissed, demonstrates our commitment to fairness at all times.
- During this process, we have appointed senior executives in acting roles to support business continuity, thereby ensuring that Brand South Africa's mandate is fulfilled.
- The Board has held several engagements with employees to keep them informed and reassured at all times.
- Regular communication to employees continues.

Corporate Governance

Brand South Africa's legal status

- Brand South Africa is a registered Trust
- According to the Trust Deed 2015, Brand South Africa's work is derived from South Africa's national objectives of GDP growth, job creation, poverty alleviation and social cohesion as informed by the Constitution, the Medium Term Strategic Framework, Plan of Action and National Communications Framework.
- Brand South Africa's mandate is "To manage South Africa's Nation Brand reputation in order to improve the country's global attractiveness and competitiveness."

Board Appointments, Roles and Remuneration

- The current Board of Trustees was appointed in 2016 by the President of the Republic.
- All appointments were conducted according to the law. Trustees are qualified in their roles and uphold the highest principles of corporate governance.
- Brand South Africa's Board of Trustees is comprised of competent, senior, qualified and highly experienced South Africans, who dedicate their time to play an oversight and governance role for the organisation. These members hold other executive and non-executive roles at leading organisations in

South Africa and beyond.

- The Board meets quarterly unless there are extraordinary circumstances that require a special Board meeting.
- Board remuneration packages are guided, regulated and approved by National Treasury to ensure compliance and transparency. These guidelines are in the public domain and the Board's fees are paid according to what they prescribe.
- We are guided by the constitutional values of the Republic of South Africa.
- We also subscribe to the organisational values of; integrity, diversity, innovation, cooperation and Ubuntu.

Tender processes

- All tender processes are governed by the Public Finance Management Act, Supply Chain Management Policies and Treasury Regulations.
- The CEO as Accounting Officer as well as the Management Team, are accountable for all the prescribed delegations of authority. This includes the appointment of all relevant internal Committees including the Bid Specification, Bid Evaluation & Bid Adjudication Committees.
- Decision making and approval of tenders is a function of the CEO on the basis of presentation and recommendations made to him by the Bid Adjudication Committee. The CEO in turn reports to the Board for noting.
- The Board is not involved in any decisions related to the awarding of any tenders in the organisation.

International Travel

- Part of Brand South Africa's mandate is to facilitate integrated strategic Communications and Public Relation activities on behalf of Team South Africa, to promote, position and profile the country as an attractive investment destination.
- Team South Africa's delegation includes the President of the country, relevant ministers as well as business representatives promoting the investment agenda.
- The Board travels to these strategic platforms and engagements, is a standard and approved process, to provide support and participation on behalf of the organisation. Given the high profile of the delegations attending such gatherings, the Chair of the Board and the CEO, are required to travel. This is to ensure that Brand South Africa can facilitate, coordinate and participate in all planned official engagements with potential investors, media relations and strategic partnerships for Team SA.

Integrity at Brand South Africa

- We are governed by regulations to do the right thing regardless of whether it is popular or not.
- We act according to prescribed codes and ethics.
- We treat all with respect and fulfil our promises and commitments to

internal and external stakeholders.

- We respect our responsibilities and accountabilities.
- We act with discretion and refrain from gossip and speculation.

Anonymous Tip-Offs at Brand South Africa

Brand South takes every tip off in a serious light, hence the number of investigations currently under way, that are based on information received from our Tip-Off lines of communication.

- Members of the public as well as our employees are encouraged to report fraud, theft and workplace dishonesty on our Anonymous Tip-Off line, email or website.
- FreeCall 0800 000 557
Email brandsa@tip-offs.com
Website: www.tip-offs.com

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For any media queries related to this statement, please contact -
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