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The Honourable Ms Lynne Brown (MP)  
Minister of Public Enterprises  
Infotech Building, Suite 401  
1090 Arcadia Street  
Hatfield  
Pretoria  
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Dear Minister

**REMUNERATION: MR B MOLEFE**

The appointment of Mr. B Molefe as Chief Executive of Eskom with effect from 1 October 2015 has reference.

Please find set out herein, a proposal on his remuneration for your consideration.

The table below reflects the September 2015 benchmarks conducted by Mercer, PE Corporate Services and Deloitte Consulting for a Chief Executive of a large company.

Initials & Surname	Designation	Current TRANSET Total Guaranteed Package 2015	MERCER Per Category IQ	MERCER Per Category MEDIAN	MERCER Per Category UQ	PE Corporate Services - IQ	PE Corporate Services - MEDIAN	PE Corporate Services - UQ	Deloitte AVERAGE
B Molefe	CHIEF EXECUTIVE	7 656 000	6 634 445	8 465 266	12 329 152	7 138 105	8 068 792	9 261 995	10 560 000

The benchmarks reflect that the current remuneration, as paid by Transnet, of Mr. Molefe is below the following statistical measurements, that is:

- 10.6% below the median of Mercer
- 5.4% below the median of PE Corporate Services and
- 37.9% below the average of Deloitte Consulting. The Deloitte benchmark is based on listed JSE companies of similar size.

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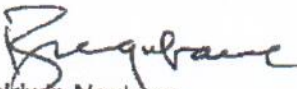
In keeping with his current remuneration paid by Transnet and taking the benchmarks into consideration, I submit for your approval the following annual recommended total guaranteed remuneration package:

EXECUTIVE	POSITION	TOTAL GUARANTEED PACKAGE
B Molefe	Chief Executive	R7 656 000.00

Minister's favorable consideration hereof would be appreciated. Should Minister have any queries hereon, please do not hesitate to contact me.


Thanking you in anticipation.

Yours sincerely

  
 Dr Baleswini Ngubane  
 CHAIRMAN  
 Date: 16/10/15

APPROVED

Ms Lynne Brown (MP)  
 MINISTER OF PUBLIC ENTERPRISES  
 Date:

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