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MEDIA RESPONSE

To: Nkosinathi Ndlovu: TechCentral
From: Tlali Tlali: SITA Head of Corporate Affairs
Date: 09 February 2024

Re: Response to Tech Central

The Ministerial Task Team (MTT) was appointed by the Minister of Communications and Digital Technologies in December 2023 as an intervention vehicle with a mandate to address mainly the backlog challenges in our supply chain management (SCM) environment.

The Minister, as the shareholder representative, has the authority to appoint such a structure and will have considered all relevant factors, including the best skills sets and experience for the task.

Considering the urgency attendant to the assignment and the impact of the delays endured by the client departments, the MTT moved with speed to consult and interact with as many internal stakeholders at SITA to understand the lay of the land in our supply chain space.

The Minister and the Board of Directors were apprised on an ongoing basis of the work of the MTT, and various options are being considered for implementation, based on the recommendations the MTT has made.

In addition to focusing on the SCM space, it became necessary to strengthen the executive tier of the business in order to promote operational efficiencies.

The Board resolved to look for an interim resource to act in the role of a Managing Director as the recruitment process to appoint a permanent one has not been concluded.

Non-Executive Directors:

Mr K Pillay (Chairperson), Ms L Petlele (Deputy Chairperson), Ms N Pietersen, Ms K Sibanda,
Ms L Abrahams (Dr), Mr M Mnisi, Mr L Keyise, Ms L Mseme, Ms R Naidoo

Executive Directors:

Mr S Dzengwa (Managing Director: Acting) Mr MK Kgauwe (Chief Financial Officer),
PH Attorneys (Company Secretary: Acting)

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After considering options on the recruitment of short-term human resource for the role of the MD, the Board resolved to appoint Mr Simphiwe Dzengwa as the acting MD until the position has been filled with a permanent appointee.

Since his appointment in the new role as acting MD, Mr Simphiwe Dzengwa is no longer a member of the MTT, and this means conflict of interest does not arise.

We have also taken note of the comments made by the PSA relating to the changes that are being implemented. We are aware that there are planned sessions with organized labour to discuss and to further sensitize them about the gravity of some of the challenges SITA is facing and the implications thereof if no urgent steps are taken. We are confident that parties will find a common ground on how to move forward once the meeting has taken place.

We appreciate the impact the backlog has on our client departments in that our clients are not able to operate at optimal levels and this manifests in service delivery deficiencies.

The devolvement of certain services by SITA to client departments is one of the options being considered for implementation, subject to compliance with certain requirements and/or conditions. In this way cater for client interests whilst ensuring that there is overall compliance with the legislation and the objectives SITA was meant to implement.

Ends.

SITA Head of Corporate Affairs: Mr. Tlali Tlali

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Email: Tlali.Tlali@sita.co.za

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