



## TRILLIAN MANAGEMENT CONSULTING

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Melrose Arch  
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**Mr Anoj Singh**  
Eskom Holdings SOC Ltd  
Megawatt Park  
Maxwell Drive  
Sunninghill  
Sandton

29 January 2016

Dear Sir,

### RE: TRILLIAN SUPPLIER DEVELOPMENT CASH FLOW CONSIDERATIONS

As the preferred Supplier Development partner to McKinsey on various Eskom projects including the Eskom turnaround program, Trillian Management Consulting (Pty) Ltd ("Trillian") is committed to delivering the highest service levels in assisting to achieve our joint objective of realising cost savings and introducing efficiencies for Eskom.

Obviously as a young and growing Supplier Development company we are determined to build a sustainable business resourced with high calibre people with the appropriate skills and experience in order to deliver on our mandates. In order to reach our objectives in terms of cash flow management and resourcing our CFO needs to be in constant and direct control of the company's funding position at all times.

In this regard we would appreciate Eskom considering the following to assist Trillian from a cash flow management perspective:

1) Trillian as a Supplier Development Company currently does not have the balance sheet available to furnish our share of the "down-payment guarantee" required on the Eskom /McKinsey mandate. We therefore propose that the requirement for Trillian to lodge such guarantee be waived. However, Trillian will remain committed to funding its portion of a liability to refund any down payment fees received in the (unlikely) event of non-delivery. Such refund would be on the same basis that Eskom would draw down on the corresponding portion of the McKinsey guarantee.

2) Trillian needs to be in a position to invoice Eskom directly simultaneous with McKinsey for all fees on contracts where McKinsey is appointed the lead and Trillian the Supplier Development partner. By requiring Trillian to invoice McKinsey only after McKinsey has invoiced Eskom, will result in significant cash flow pressure for Trillian since Trillian will be dependent on McKinsey's internal processes before receiving its payment. A company of Trillian's early stage and developmental nature is reliant on cash flow to grow and any un-necessary delays in receiving payment for work done and resources committed will negatively impact the business's ability to operate effectively including the company's ability to hire appropriate resources as and when they are needed.



We have the support of McKinsey in this matter, and thus we request that Eskom allow for both Trillian and McKinsey to invoice separately for fees due and payable under any contract between Eskom and McKinsey where Trillian is the appointed Supplier Development partner.

In anticipation of your favourable response, please find attached a copy of our Trillian invoice for Trillian's pro rata share of the Corporate Plan deliverable.

Kind Regards,

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