



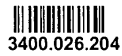
Warrington - same #
A. WYKARTON
Desk
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IN STRICT CONFIDENCE

To:	Terry Morgan	Fax No:	3828
Date:	4 September 1998	Ref:	AMD/CR/9101

From	Allan MacDonald	Fax No:	+1252 383010
No. of Pages:	Header + 6	Tel No:	+1252 383736



Terry,

South Africa

I know you take very keen interest in our marketing activities, and indeed in respect of South Africa, in the critical days of me establishing my credibility you were one of the Managing Director's that championed my cause. Herewith copies of recent correspondence that I have been putting into the system. You will note that we are certainly getting down to the short strokes for both Gripen and Hawk.

There is one matter where I am going to need you and your team's professional help over the coming months. You will note from the information I attach that the fact that we have got Hawk onto the final list is very much due to our friends in country, rather than the quality of our ITP response. One friend who has, and remains, absolutely critical to our ultimate success for both Hawk and Gripen is Minister Stella Sigcau. You may recall she visited the UK recently and met with Peter Mandelson, and I interrupted my leave to host the visit.

She very privately asked for my support on a personal family matter. She has very well educated daughter, who is 29 years of age, who has recently had the misfortune of experiencing an unhappy marriage arrangement. The Minister is a princess in the African culture, and even President Mandela pays regard to this fact in respect of Minister Sigcau. The breakdown of her daughter's marriage is causing her severe embarrassment. In the coming months, and after our success, she wants BAe, for two to three years, to provide a marketing job for her daughter in London. Such a job will have to pay sufficiently to provide a reasonable quality of life for the Minister's daughter and her two children. As you would expect, in view of the criticality of where we are in the decision making process and our fundamental reliance on the Minister's support, I gave all the right assurance to the Minister that we would very positively help address this personal family matter. To show sincerity I arranged for Niall Irving to meet with the daughter.

PERSONNEL DIRECTOR
 9174
 -7 SEP 1998
BRITISH AEROSPACE

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I have appraised Neils Petersen of this situation and asked him to ensure that in our South African budget we make provision for three years' support for the Minister's daughter. He has indicated that monies will be will be found to deliver this.

Of course I fully understand I need your blessing to all of this, as well as you and your team's proactive support. I am belatedly seeking this and I apologise to you for the delay in communicating with you on this important matter.

Regards,



Allan MacDonald

BRITISH AEROSPACE

3400.026.354

Memorandum**STRICTLY PERSONAL
& CONFIDENTIAL**

To	Terry Morgan	Location	Warwick House
Department	Group HR		
From	Alan Wharton	Tel.	4864
Department	Personnel	Fax.	3053
Location	Lancaster House		
Date	19 February 1999	Our Ref.	ARW2728/h.
Subject	ALLAN MACDONALD		

Update on Allan's activities which have been passed to me from a number of sources.

During the first week after you and Kevin spoke to him, he was fairly quiet although he did speak directly to Steve Meighan, Angus Greene, Andy Humphries, Keith Pates, Catherine Robinson and John Twiddy.

His conversation with some of them revolved around blaming Jim McDowell for his demise and he asked a number of them for a deposition to be sent to him on exactly what had been said to them and also to confirm his words at the team meeting. As far as I know, nobody responded.

After seeing Dick the second week, his attitude changed and he was telling a number of people that Dick had asked him to stay on to deal with South African issues, certainly until June. We also became aware that he was speaking to a number of people in South Africa and Brunei. This was confirmed when he asked to be put through to certain key people. They were Jules Pelessier - South Africa, Fama Hlongwne - South Africa and John Cars, Brunei. He also spoke and, we believe, met Portia Siggau, the daughter of Stella Siggau, Minister - South Africa, who I subsequently found out has been influenced to send a letter of support regarding Allan into the Company. For your information, Portia is being supported by Bae while doing a course in London. This includes accommodation and all furnishings, plus a large number of other items.

After Allan spoke to John Cars, Jim McDowell was refused a meeting with Sayed Jaffrey in Brunei.

We also believe that he has put a lot of pressure on Stuart McIntyre, again to write in a letter of support to the Company.



There is a strong feeling within his team that Allan is working in a machiavellian way and not in the interest of the Company.

The market place is currently confused regarding Allan's role.

Regards



Fax Message

P O Box 8322, Centurion 0046, Tel (012) 428-2704; Fax (012) 428-0783

TO: Mr Niels Petersen
COMPANY: British Aerospace
FAX NO.: 01252 384802

FROM: Portia Ndzamele
PAGE/S: 1
DATE: 1998/10/12



Dear Niels,

I would like to take this opportunity to thank you for the wonderful hospitality you gave to me whilst I was in London. The support services provided was outstanding and of the highest order.

Further, I would like to say that the discussions we had around the opportunities available to me within Lloyds Bank took place in a very relaxed and friendly manner, which allowed me to make decisions based on sound advice and good judgement.

I would also like to thank you for incorporating the position of my little girls into our discussions, and thus giving the comfort that they are not forgotten in the greater scheme of things.

Finally, I would like to say that I look forward to joining you in London and developing a friendly and professional relationship that will be mutually beneficial.

My kindest regards to you and your team.

Yours sincerely

A handwritten signature in cursive script that reads "P. Ndzamele".

PORTIA NDZAMELE



3471.006.033

BRITISH AEROSPACE **Facsimile**

To	Allan MacDonald	From	Stuart McIntyre
Department		Department	
Company		Tel.	+ 27 12 460 323
Fax.		Fax.	+ 27 12 460 807
cc.	Niall Irving		

Date	31 October 1998	Ref.	
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No. of Pages	3
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Subject	Briefing - Meeting with Young Friend (YF)
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IN STRICT CONFIDENCE

Allan,

Further to our phone conversation earlier here follows a fuller brief on the meeting. As a general precursor YF met me following a morning session with JM where clearly a variety of issues were brought up and firmly addressed, including the rumour of BAe involvement with our Young Lady Friend (YLF). He was relaxed and in general good humour but he was certainly very concerned about the personal issues below.

The meeting covered the following primary points - (1) the line to take regarding our young lady friend and associated actions, (2) major security concerns, their cause and necessary actions, and (3) campaign actions general and specific relating to YF.

1. Young Lady Friend

On this matter he sets out a clear demand. We must deny all knowledge or involvement whatsoever in YLF's recent job application in the UK. The application is purely a private initiative on YLF's part and nothing more. He asks that we clean our system of all record or reference (especially in SA) and brief all those in the know both in SA and in the UK of the line to take. Any further activities we must be under the new security regime - see below.

2. Security

YF reports that he is being undermined in a number of ways. The perpetrators are EC and others externally and various of their friends internally. YF is being accused of not being a real advocate, of having been arrested or under investigation on cocaine possession, of being