



TRANSNET



UNABRIDGED GOVERNANCE REPORT **2025**

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INTRODUCTION

The Board, as custodians of governance, oversees the execution of Transnet's strategy and monitors the delivery of operational, commercial, and statutory objectives. The Board ensures the Company's long-term financial, socio-economic, and environmental sustainability while balancing the interests of all stakeholders.



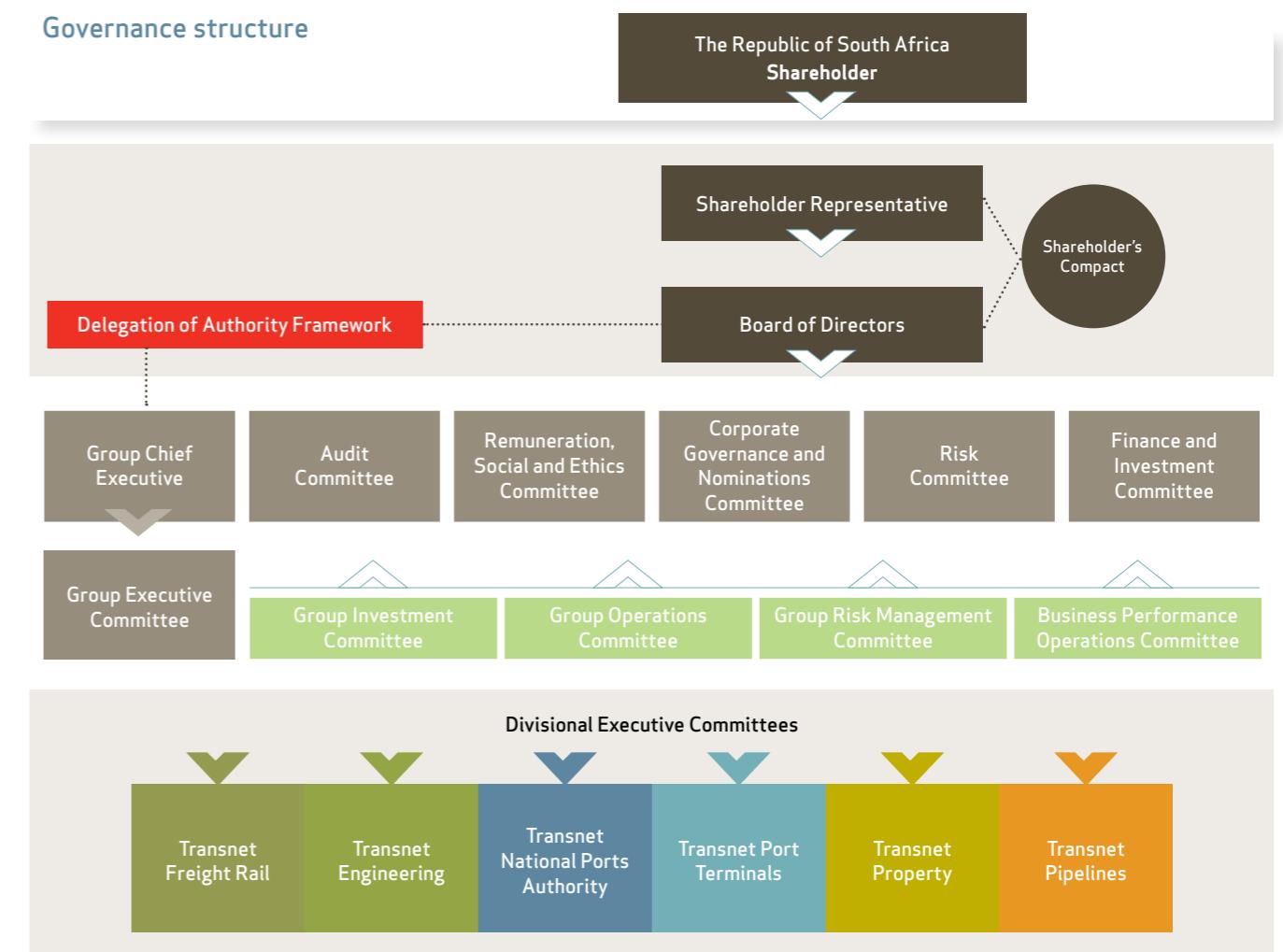
Transnet (the Company) is a State-owned entity, under the control of its Board, committed to continuously improving sound governance in accordance with the Public Finance Management Act (PFMA), the Companies Act, Johannesburg Stock Exchange (JSE) rules and other relevant legislation. The Company has adopted the principles outlined in the King IV Report on Corporate Governance for South Africa, 2016 (King IV), as part of its commitment to sound governance. The Company aims to achieve the four overarching governance outcomes advocated by King IV, namely: an ethical culture, good performance, effective control and legitimacy. This Unabridged Governance Report outlines how Transnet has applied the recommended King IV principles in pursuit of these outcomes and following best practices.

EXECUTIVE AUTHORITY AND OVERSIGHT

The Minister of Transport is the executive authority and Shareholder Representative. The Board enters into an annual Shareholder's Compact with the Shareholder Representative. The compact outlines the Shareholder's strategic intent and the key performance measures and indicators aligned with Transnet's strategy and Corporate Plan. The Board meets its statutory requirements and oversees the Company's performance against agreed-upon targets, while ensuring adequate budget planning and allocation processes.

The Board, as the custodian of corporate governance, sets the tone for upholding the highest corporate governance standards. The Board actively collaborates with the Group Executive Committee (Group Exco) to foster a Group-wide culture of effective governance. The Board sets a strategic direction by approving the Company strategy and monitoring performance to manage its sustainability.

Governance structure





LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

King IV principle 1: The governing body should lead ethically and effectively

Ethics-related policies

The Board has approved a suite of policies designed to promote and entrench an ethical culture throughout the Company. The ethics-related policies in place include:

- A Code of Ethics Commitment Statement;
- No Gifts and Hospitality Policy;
- Non-Executive Directorship and Trusteeships Policy;
- Whistle-blowing Policy, Anti-Bribery and Anti-Corruption Policy;
- Domestic Prominent Influential Persons and Foreign Prominent Public Officials Policy;
- Lifestyle Audit Policy;
- Declaration of Interest and Related Party Disclosures for Directors and Employees respectively; and
- Security Screening and Vetting Policy.

These policies apply to all employees and the Board of Directors (the Board), ensuring a consistent and robust ethical framework throughout the Company.

Declaration of Interest process

The Company's Declaration of Interest and Related Party Disclosures for Directors and Employees Policy governs the management of actual or perceived conflicts of interest and related party disclosures. All directors, employees, consultants and fixed-term contractors are required to declare their interests either annually, every two years, as and when required, or as and when such interests change.

The Group Company Secretary prepares an annual report on the Declarations of Interest of directors and prescribed officers. The report is presented to the Board for consideration prior to presentation at the Annual General Meeting (AGM) for consideration by the Shareholder.

The Remuneration, Social and Ethics Committee (REMSEC) oversees the declarations of Prescribed Officers, while the Corporate Governance and Nominations Committee oversees the declarations of the Board of Directors.

Additionally, all Committee members and attendees are required to declare their interests at every Board and Committee meeting, as well as Exco and Exco subcommittee meetings, in line with best governance practices and regulatory requirements.

King IV principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

The REMSEC

The Board has delegated oversight of social and ethics matters to the REMSEC, per the Companies Act 71 of 2008. REMSEC is responsible for ensuring that the Company's ethical performance is effectively assessed, monitored, reported and disclosed in the Integrated Report.

The Code of Ethics Commitment Statement

The Code of Ethics Commitment Statement affirms the Company's ethical values and expected standards of acceptable behaviour. These apply to all Non-Executive Directors, employees, suppliers, service providers, customers, and other relevant stakeholders, reinforcing their responsibilities to uphold the Company's ethical standards.

Ethics management programme

A structured multi-year approach to embedding an ethical culture has been adopted through Transnet's ethics management programme.

An independent service provider was appointed to implement Phase 1 of the programme, which entailed the following deliverables:

- Project orientation and planning;
- Ethics management maturity assessment;
- Ethics opportunity and risk assessment;
- Development of the ethics management strategy and plan; and
- Review of Board Committee (REMSEC) effectiveness.

Phase 1 of the Transnet Ethics Management Programme has been completed, and the Board has approved the implementation of the Transnet ethics management strategy and plan (2024/25 FY to 2028/29 FY). The ethics management strategy and plan outlines clear accountability lines, timelines, and targeted interventions designed to support behavioural changes, embed a sustainable ethical culture and promote transparency.

REMSEC will continue to oversee the implementation of the ethics management strategy and plan. A service provider will be appointed to execute the next phase of the Transnet ethics management programme, which will include:

- Ethics training for leadership;
- Development of an ethics ambassador training programme;
- Launch of the "Business ethics: Everyone's responsibility" video series; and
- The review and enhancement of ethics-related governance documents.

Integrity Management Unit

In 2024/25FY, the Company approved the establishment of a dedicated Integrity Management Unit to drive the ethics agenda. The Integrity Management Unit is currently undergoing phased resourcing and is structured into three functional areas:

- Ethics Governance, Policies and Procedures;
- Business Intelligence; and
- Investigations.

The Ethics Governance, Policies, and Procedures function is focused on implementing and overseeing ethics-related policies, including establishing systems to prevent, detect and deter unethical conduct. This function will play a pivotal role in embedding governance mechanisms and cultivating an organisational environment that supports an ethical culture and behaviour.

King IV principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen

Corporate citizenship

Transnet strives to be a responsible corporate citizen that contributes to the development of South African communities. Transnet executes its developmental initiatives through the Transnet Foundation (Foundation), which serves as Transnet's corporate social investment (CSI) arm. The Company's community development agenda aligns with national imperatives outlined in the National Development Plan, as well as the United Nations Sustainable Development Goals.

The Foundation continues to respond to the needs of communities in effective and impactful ways through a people-centred approach that focuses on areas such as health, education, sustainable livelihoods, capacity building and the award of sponsorships and donations to those who deserve them. Transnet employees further support these focus areas through volunteerism initiatives.

Support is rendered through the Foundation's revised CSI Policy and its restructured portfolios of health, education, livelihoods, community care, CSI fund and fundraising. In addition, the Foundation has strengthened its commitment to accountability, reporting and transparency through its new monitoring and evaluation portfolio.

The Foundation remains committed to being a good corporate citizen dedicated to improving the lives of those most affected by poverty, underdevelopment, and other social challenges.

Oversight of the Foundation's CSI activities is exercised by the Board through the REMSEC, with related activities reported annually in the Integrated Report.

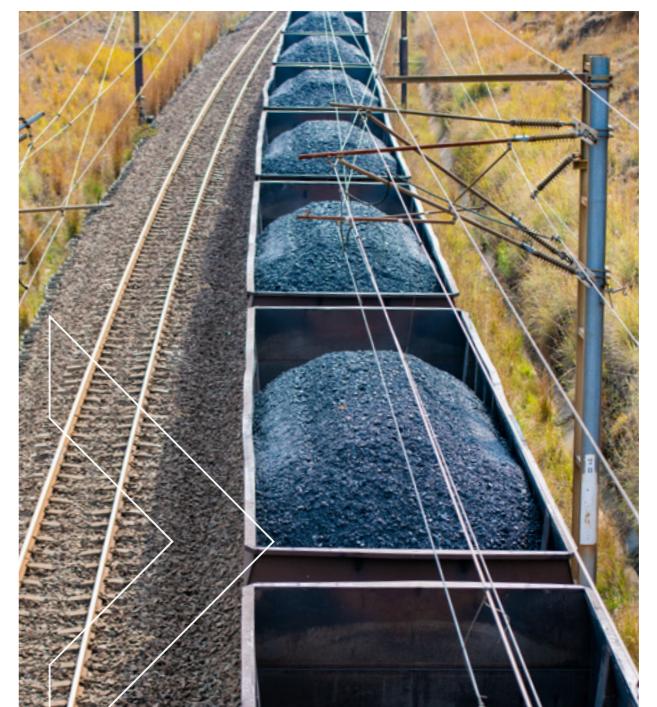
Environmental, social and governance (ESG) strategy

The Board plays a central role in steering the organisation's sustainability vision as articulated in the ESG strategy, ensuring that ESG considerations are integrated into corporate strategy. ESG matters are governed through a tiered structure, which includes the Board (Tier 1), the REMSEC (Tier 2), executive management (Tier 3) and the Sustainability Forum (Tier 4). REMSEC leads ESG at the Board level, embedding it into strategic priorities, while executive management integrates ESG into operations and culture.

The DOA Framework facilitates accountability for ESG across governance structures. The Board, through REMSEC, oversees the identification, assessment, prioritisation and monitoring of material ESG issues using methodologies aligned with ISO 31000, Global Reporting Initiative guidelines, and has recently adopted the International Financial Reporting Standards (IFRS) General Requirements for Disclosure of Sustainability-related Financial Information (S1) and Climate Related Disclosures (S2).

The Board oversees the implementation of the ESG strategy, which REMSEC approved in 2023/24FY. Under the guidance and leadership of REMSEC, ESG strategy implementation plans were developed for all six Operating Divisions and the Transnet Corporate Centre in 2024/25FY. In 2025/26FY, the REMSEC will monitor the implementation plans.

Variable pay for executives is tied to ESG-aligned KPIs, ethical behaviour, and organisational values. While exact ESG-based compensation proportions aren't publicly quantified, ESG is a performance criterion for both short-term and long-term incentives.



STRATEGY, PERFORMANCE AND REPORTING

King IV principle 4:
The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

Corporate Plan

The Board annually approves the Corporate Plan, which outlines the Company's strategic business and economic priorities, as well as key focus areas and related targets necessary to execute its mandate successfully. The Corporate Plan also serves as a reference for all investors and funders who need to assess the Company's long-term sustainability.

The Board approved the 2025/26FY Corporate Plan, which was submitted to the National Treasury and the Executive Authority in February 2025, as required by the Public Finance Management Act 1 of 1999 (PFMA).

Shareholder's Compact

The Company is required to conclude a Shareholder's Compact with the Shareholder Representative annually. The Compact mandates the Company to deliver on various strategic deliverables under the oversight of the Board.

The Board monitors performance against the targets set out and ensures that robust internal controls and budget processes are in place to support the effective execution of the Company's mandate. This provides strategic alignment and financial accountability in performance management.

Company strategy

The Company adopted the Reinvent for Growth Strategy (R4G Strategy) as approved by the Board and exercises oversight over strategy execution. The R4G Strategy focuses on stabilising operations, transforming the business and enabling long-term growth. The strategy builds on the progress achieved under the 18-month Tactical Recovery Plan, which concluded at the end of the 2024/25FY. The Board monitors the achievement of operational, commercial and statutory objectives.

In November 2023, the Company established the Transnet Rail Infrastructure Manager (TRIM) as an additional Operating Division, in line with the cabinet-approved White Paper on National Rail Policy. TRIM's mandate is to enable party access to the rail network, fostering competition and improving rail network efficiency.

Board strategic session, performance monitoring sessions and the deep dive

The Board regularly conducts strategy workshops and deep dive sessions to deliberate on matters of a strategic nature. Outcomes and recommendations from these engagements inform the development of strategies and plans, which are subsequently submitted to the Board for consideration. This process helps shape the Corporate Plan and the Shareholder's Compact.

GOVERNANCE STRUCTURES AND DELEGATION

The Board is satisfied that it has discharged its duties and responsibilities in accordance with the provisions of its Charter and applicable governance frameworks for the reporting period.

King IV Principle 7:
The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively

Board composition

The Company MOI sets out in detail the composition, appointment, nomination, and rotation of all directors. The Shareholder Representative appoints the Directors.

Non-executive directors

- Dr AH Sangqu (Chairperson)
- Ms SRM Buthelezi
- Mr MAW Debel
- Mr BM Jiya
- Prof FS Mufamadi
- Ms LM Letsoalo
- Mr DD Patel
- Ms BG Sedupane
- Ms MP Zambane

Appointment of Ms. Khulekelwe Glynnis Mbonambi as Non-executive Director

Effective 08 August 2025, Ms. Mbonambi joins the Board, bringing over 20 years of expertise in financial management, governance, risk oversight and auditing. Her extensive experience across state-owned entities and government spheres is expected to significantly support the company's strategic direction and growth.

Executive directors

- Ms MJ Phillips (Group Chief Executive)
- Ms RNM Maphumulo (Group Chief Financial Officer)

The Board should comprise the appropriate knowledge, skills, experience, diversity, and independence

The Corporate Governance and Nominations Committee regularly compiles a Board skills matrix to ensure that the Board has a proper balance of knowledge, skills, experience, diversity, and independence.

King IV principle 6:
The governing body should serve as the focal point and custodian of corporate governance in the organisation

The Memorandum of Incorporation (MOI)

The MOI sets out the rights, duties and responsibilities of the Shareholder, Board and Management, and outlines matters reserved for decision by the various role players. Following the promulgation of the Companies Act amendments of 2024, the Company is in the process of updating the MOI and all other impacted corporate governance instruments of control to align with the amendments and ensure sound governance.

Delegation of Authority (DOA) Policy and Framework

The current DOA Framework outlines Board-reserved matters and those delegated to various role players. The DOA Framework is reviewed annually or as required to ensure relevance and alignment with governance and business requirements.

Board meetings

The Board meets at least four times a year. The number of meetings held and attendance, together with decisions taken by the Board and its committees, are reported quarterly to the Executive Authority and are included in the supporting annexure of this document.

Committee Charters

The Board approved the Charters during the period under review. The Charters outline the mandate granted to the Board and its Committees in establishing and upholding effective governance. They primarily define the roles and responsibilities, authority, composition, and standard protocols for the Board and its Committees.

Board-approved policies and procedures

The Board has approved policies and procedures, which:

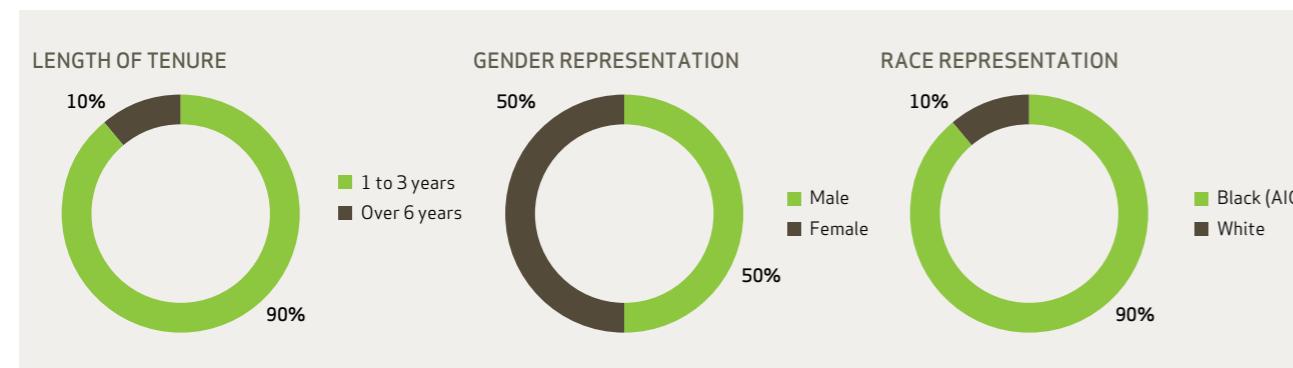
- Guide day-to-day operations and decision-making;
- Ensure compliance with relevant legislation;
- Assists with the management of governance-related matters; and
- Contributes towards streamlining internal processes. All Board-approved policies and procedures are available on the Company's intranet.

Access to Company information

The Board confirms that it had unrestricted access to all relevant Company information, records, documentation, and property necessary to fulfil its oversight responsibilities and fiduciary duties.

GOVERNANCE STRUCTURES AND DELEGATION continued

Non-executive directors' demographics



Non-executive directors' skills matrix

Skills and expertise strength	Oversight strength
<ul style="list-style-type: none"> Investment Insurance Banking Risk and compliance management Human resources, people management and industrial relations Legal Finance Policy development Stakeholder relations Asset management Business development and marketing Economic development Transportation, freight, and logistics management Project management Supply chain management Taxation Climate finance Decarbonisation pathways Change management Business restructuring Marketing Diplomacy Production management Financial reporting Financial management Internal controls 	<ul style="list-style-type: none"> Governance Leadership Management Strategy Organisational development

The Board is satisfied that the non-executive directors, who are classified as independent in accordance with King IV Principle 7, have effectively discharged their fiduciary duties and contributed meaningfully to the fulfilment of the Company's mandate during the year under review.

ESG skills

The Board brings together a diverse set of skills and expertise critical for strong ESG governance. Skills succession planning encompasses critical experience in topics such as cybersecurity, business ethics, climate change, and secure operations.

ID	Our top 10 ESG issues	Required skills/Experience	Board Members	Board members' skills in relation to Transnet's top 10 ESG risks									
				A	B	C	D	E	F	G	H	I	J
A	Climate response	Climate mitigation and adaptation	Andile Sangqu	✓	✓	✓	✓	✓	✓	✓	✓	✓	
B	Health and safety	Knowledge of occupational health, safety and wellness programmes to ensure employee safety	Clarence Benjamin	✓	✓	✓	✓	✓	✓	✓	✓	✓	
C	Business ethics	Skills on matters of fraud and corruption; conflicts of interest and competition	Dipak Patel	✓	✓	✓	✓	✓	✓	✓	✓	✓	
D	Data ethics	Information security, data privacy and cyber security	* Mosadiwamaretwa Pearl Zambane	✓	✓	✓	✓	✓	✓	✓	✓	✓	
E	Sustainable procurement	Knowledge of sustainable procurement, which involves supplier assessment and screening for ESG issues	* Fholisani Mufamadi	✓	✓	✓	✓	✓	✓	✓	✓	✓	
F	People management	This includes experience in employees' issues (grievances, remuneration, human rights) and employee morale and knowledge of transformation and performance management	Martin Debel	✓	✓	✓	✓	✓	✓	✓	✓	✓	
G	Environmental compliance	General understanding of South African laws and implications of non-compliance	Refilwe Buthelezi	✓	✓	✓	✓	✓	✓	✓	✓	✓	
H	Secured operations	Experience in dealing with physical security issues (theft, vandalism and encroachment)	* Boitumelo Sedupane	✓	✓	✓	✓	✓	✓	✓	✓	✓	
I	Stakeholder management	Skills in dealing with external stakeholders including investors, communities, regulators	* Busisa Jiya	✓									✓
J	Governance	Knowledge of crisis and risk management (including the concept of risks and opportunities) and strategic thinking and business leadership skills from historical board service or leadership roles	* Lebohang Letsoalo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

NB: All Board members' names marked with a * are members of the REMSEC

GOVERNANCE STRUCTURES AND DELEGATION continued

King IV principle 8:
The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with the balance of power and effective discharge of its duties

The Board and its committees

The Board has established the Audit Committee and the REMSEC as its statutory committees, per legislation.

In addition, the Corporate Governance and Nominations Committee, the Finance and Investment Committee, and the Risk Committee have been established as non-statutory committees to support the Board in discharging its oversight responsibilities.

Notwithstanding the delegation of duties to Board committees, the Board retains overall accountability. Accordingly, the Board ensures that:

- Each committee composition aligns with the required skills, experience, and expertise to ensure proper discharge of committee mandates;
- The terms of reference for each Board committee are clearly defined and regularly reviewed for relevance; and
- The sub-committees report to the Board regularly, to ensure informed decision-making and effective oversight.

The Board remains accountable to the Shareholder Representative for all decisions made by the Board itself, its committees, or any director authorised to act on its behalf. The Board fulfils its fiduciary responsibilities by ensuring that the Company complies with legislative, regulatory, and governance requirements.

Establishment of the Business Performance Operations Committee

Following approval by the Shareholder Minister, the Board has established a Business Performance Operations Committee, effective 18 June 2025. This Committee has been constituted to provide strategic oversight and support aimed at enhancing the Company's operational efficiency and performance.

The primary mandate of the Committee is to drive continuous improvement in operational execution and ensure alignment with the Company's strategic objectives. In fulfilling this mandate, the Committee will be responsible for, among other things:

- Providing oversight of business performance across operational areas;
- Offering strategic guidance and support to Executive Management on key operational issues;
- Ensuring that operational decisions remain consistent with the long-term strategic direction of the Company;
- Promoting and embedding sustainability principles within all operational practices and decisions;
- Tracking and guiding the implementation of critical business initiatives to ensure effective execution and value delivery; and

- Facilitating the strategic integration of Information and Communication Technology (ICT) within operations to enhance efficiency and innovation.

The establishment of this Committee reflects the Board's commitment to strengthening performance through driving operational excellence across the Company to enhance sound governance.

Committee composition

The Board committees have a minimum of three members, as prescribed by the MOI, the respective committee charters and applicable rules as adopted. A detailed report on the composition and activities of each committee, in line with King IV disclosure requirements, is attached as a supporting Annexure A of this report.

King IV principle 9:
The governing body should ensure that the evaluation of its own performance and that of its own committees, its chair, and its individual members support continued improvement in its performance and effectiveness

Board performance evaluation

The Board Performance Evaluation Policy was reviewed and approved by the Board during the 2024/25FY in alignment with the JSE Requirements. The policy sets out the principles that guide the performance and effectiveness of the Board, its committees, and individual directors.

The Shareholder requires that the Board conduct a Board performance evaluation exercise facilitated by an independent service provider. This evaluation assesses the effectiveness of the Board and its committees, providing recommendations where necessary to enhance best governance practices.

The 2024 Board performance evaluation yielded an overall average rating of 3.4 on a scale ranging from 1 (strongly disagree) to 4 (strongly agree), demonstrating a general satisfaction with its performance. The final report confirmed that all non-executive directors and the Board collectively demonstrate an appropriate balance of expertise, experience, and diversity to fulfil their mandate effectively.

Meeting assessments

Regular meeting assessments are conducted at both the Board and committee levels to support continuous improvement. These assessments provide a structured platform for directors to offer feedback on the effectiveness of meetings, thereby enhancing meetings and other governance processes.

Directors' induction and continuous development

The Group Company Secretary prepares and submits an annual Board training and development plan to the Corporate Governance and Nominations Committee. The plan addresses the ongoing training and developmental needs of the Board and its committees, with a focus on topical, legislative, and regulatory developments, as well as recommendations arising from the Board evaluation report, where applicable.

Directors are further encouraged to identify individual areas of interest to support their personal development and to enhance their contributions to the Board. The table below outlines the training sessions attended by directors during the year under review in support of their continuous professional development.

Continuous development sessions conducted in 2024/25FY:

DIRECTOR	TRAINING TOPIC	DATE
Ms SRM Buthelezi	Financial insights for non-financial directors	06/05/2024
Mr CS Benjamin	Guidance for audit committees: Assessment of the External Audit Function Paper launch	14/05/2024
Dr AH Sangqu Mr CS Benjamin Ms SRM Buthelezi Mr MAW Debel Mr BM Jiya Ms LM Letsoalo Mr DD Patel Ms BG Sedupane Ms MP Zambane	Directors' duties and responsibilities	25/06/2024
Ms BG Sedupane	Being a director part 1	11/07/2024
Ms BG Sedupane	Being a director part 2	12/07/2024
Mr AH Sangqu Ms MJ Phillips Ms NMR Maphumulo Ms SRM Buthelezi Mr MAW Debel Mr BM Jiya Ms LM Letsoalo Mr DD Patel Ms BG Sedupane Ms MP Zambane	National Treasury training: PFMA overview	01/10/2024

DIRECTOR	TRAINING TOPIC	DATE
Ms SRM Buthelezi Mr MAW Debel Ms MP Zambane	Unpacking liquidity, solvency and going concern	11/10/2024
Mr BM Jiya Ms BG Sedupane Ms MP Zambane	ESG overview for Directors: Shifting landscapes and responses - Part 1	18/10/2024
Ms BG Sedupane	ESG overview for directors: Director responsibilities and roles - Part 2	25/10/2024
Ms MP Zambane	Technology governance	18/11/2024

King IV principle 10:
The governing body should ensure delegation to management to contribute to role clarity and effective exercise of authority and responsibilities

Appointment of executive directors, prescribed officers and the Group Company Secretary

The Board undertakes a recruitment process for the Group Chief Executive and Group Chief Financial Officer. The Board then recommends preferred candidates for appointment to the Shareholder Representative. The incumbents were appointed in 2024.

The Group Chief Executive appoints prescribed officers, and their appointments are subsequently submitted to REMSEC for noting, as delegated.

The Chief Audit Executive (CAE) is appointed by and accountable to the Audit Committee through its Chairperson, in line with best practice.

The appointment of the Group Company Secretary is a statutory requirement. The role of the Group Company Secretary is pivotal in upholding sound corporate governance practices. The Group Company Secretary is the custodian of governance expertise and processes, serving as the adviser to the Board, the prescribed officers, and the business in general. The incumbent was appointed by the Board effective 1 April 2022.

Delegation to management

The Board delegates powers to the Group Chief Executive to lead and manage the Company's operations, ensuring that the strategy is successfully implemented in line with the DOA Policy and Framework.

Members of the Group Exco support the Group Chief Executive in delivering specific functions within their respective areas of responsibility and expertise. The Company further conducts its mandate through its Operating Divisions and subsidiaries, which receive delegated authority from the Group Chief Executive.



GOVERNANCE FUNCTIONAL AREAS

King IV Principle 11:
The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

Integrated Risk Management Policy

The Board has a robust risk management governance framework, including an approved Integrated Risk Management Policy, which outlines the Company's policy directive and commitment to sound risk governance and risk reporting. This Policy prescribes a cohesive approach to risk management across the Company at strategic, compliance, tactical and operational levels. The policy was reviewed in the year under review to ensure its continued relevance and adequacy.

Business continuity management (BCM)

BCM is an integral part of Transnet's risk management. BCM is a process that helps the organisation identify potential threats, risks, and impacts to its business operations. It enables the organisation to build and improve resilience, providing the capability for an effective response to threats and disruptive events. Our BCM programme adheres to best practices.

Risk identification, assessment, evaluation and monitoring

In support of the above and as part of the strategy review, the Board adopted an Enterprise Risk Management (ERM) strategy and Framework. The ERM strategy and Framework were reviewed to align with the R4G Strategy.

The Company regularly conducts risk identification, assessment, and monitoring, and reports quarterly to the Risk Committee for monitoring and oversight purposes. Material changes and emerging strategic risks in the Company's risk profile are escalated to the Board in accordance with the risk matrix.

Risk Committee

The Risk Committee is responsible for oversight of risk management within the Company and oversees the following key deliverables:

- ERM strategy and ERM Framework;
- Integrated risk management plan;
- Risk Appetite and Tolerance Framework;
- Enterprise risk management methodology;
- Risk maturity surveys;
- BCM plans;
- The risk section of the Integrated Report;
- The risk section of the Corporate Plan;
- Risk and Integrity Management Framework implementation plan;
- Fraud risk management plan; and
- Regulation and Compliance Operation Plan.

Principle 12:
The governing body should govern technology and information in a way that supports the organisation's setting and achieving its strategic objectives

Information and Communications Technology (ICT) Governance Framework

The Company's ICT leadership regularly reviews the Board-endorsed ICT Governance Framework. Its effectiveness is regularly assessed and reported to the Board and relevant Committees, including Audit, Risk, and Corporate Governance and Nominations Committees.

The framework defines roles, structures and practices to enable effective and streamlined IT and digital governance across the Company and further provides the foundation for the effective evaluation and monitoring of ICT activities.

The framework defines and assigns roles and responsibilities for ICT governance to relevant stakeholders within the Company to:

- Ensure clear accountability and responsibility for ICT governance;
- Implement an ICT governance structure that allows ICT to operate cohesively across the Company and enable the achievement of strategic business objectives;
- Align ICT governance with Company-wide governance practices;
- Adopt technology and information Governance good practices;
- Ensure that all technology and information decisions are business case-driven and drive the maximum benefits for the Company;
- Develop understanding and support for successful technology and information practices within the Operating Divisions; and
- Attain and maintain the buy-in of the Chief Information Officers (CIOs) for transversal initiatives.

ICT integration

There is an integration of people, technologies, information and processes across the Company to help achieve business objectives. In this regard, technology and information are also used ethically and responsibly in compliance with relevant legislation. The Corporate Governance and Nominations Committee is responsible for overseeing this matter, and the Audit Committee is responsible for related reporting and disclosure matters.

Ensuring responsiveness to cyber security and social media risks

The Board is regularly briefed on the Company's cyber security posture and plans. Cybersecurity is positioned as a top priority, enabling the Company to mitigate reputational risks and operational vulnerabilities.

Monitoring of third-party and outsourced service provider risks

The Company calculates potential risks and vulnerabilities by conducting thorough due diligence before commencing a relationship with third-party service providers. Monitoring of domestic politically exposed persons, prominent influential persons and foreign politically exposed persons are incorporated within the tender process to identify high-risk persons. These include standards checks for high-value tenders.

Monitor and evaluate the value delivered from technology investments and projects

The Company regularly monitors investments and technology-related projects to ensure that the Company derives full value from such investments. The Divisional Bid Acquisition Council oversees the disposal of outdated technology and information assets.

The ethical and responsible use of ICT and compliance with applicable laws

The Board is provided with insight into the ICT regulatory universe and promotes responsible technology use in line with applicable laws as overseen by the Corporate Governance and Nominations Committee.

The Committee also oversees the management of information, including the use of information architecture, the protection of privacy, and security. ICT analyses information and tracks and enforces regulatory compliance (including Personal Protection of Information Act) and conformance to policies, standards, architecture, and procedures.

The overview of arrangements governing and managing technology and information

The ICT Executive Committee has been established to oversee the ICT strategy, Corporate Plan, and digital initiatives, and regularly reports to the Group Exco. The information architecture is designed to ensure the confidentiality, integrity and availability of data.

Areas of current and future focus

ICT aims to adopt a digital-first culture to digitise both existing and next-generation products and services. The digital-first approach is enabled by the provision of digital platforms, as well as disruptive and enabling technologies, to support digital transformation. This underpins a strong digital backbone and leverages an ecosystem that includes strategic partnerships, ensuring that ICT provides agile and innovative services.

Significant changes, acquisitions, incident management and remedial action

The primary role of the ICT leadership at the Management Committee and within Operating Divisions, in conjunction with the IT service providers, is to monitor significant changes,

acquisitions, incident management and remedial action, including the following:

- The Change Advisory Board supports the change-management team by advising, assessing and prioritising changes;
- The Transnet Bid and Acquisition Council, facilitated by Supply Chain Management, concludes ICT contracts with IT service providers; and
- Incident management, problem management and remedial actions are managed by the ICT Service Management team, reporting to the Enterprise Management and Office of the Chief Information's functional unit.

Delegation to management

The Board-approved DOA Framework governs ICT roles and responsibilities to ensure the execution of effective technology and information management. ICT contributes to business resilience, and disaster recovery plans and testing outcomes. These were regularly reported to the Board and committees in 2024/25FY.

The Risk Committee oversees ICT-related risks, including the establishment and implementation of BCM plans that enable the Company to continue operating under conditions of ICT instability and recover from any serious risk incidents.

Principle 13:

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes, and standards in a way that supports the organisation being ethical and a good corporate citizen

Compliance management

The Company has established a dedicated Regulation and Compliance function that assists the Board and management in fulfilling their compliance responsibilities. The function provides advice, risk management support, independent monitoring and reporting on compliance controls for high-priority regulatory requirements, for which accountability resides with Management.

There are approximately 181 primary pieces of legislation that impact the Company, including 56 priority strategic regulatory requirements. Compliance is implemented through a risk-based approach using a decentralised model, with Compliance Officers appointed within Operating Divisions and at the corporate centre.

The Risk Committee approved the regulation and compliance operational plan for 2025/26FY, which is aligned with the overall compliance strategy. The plan focuses on enhancing business accountability and integration. There are compliance standards and frameworks in place that are regularly reviewed to adapt to the Company's changing environment.

The Board has approved an Integrated Risk Management Policy that outlines the directives for risk and compliance governance, implementation processes and monitoring. This policy supports the Company's broader enterprise risk and compliance objectives, providing assurance.



The outcomes of regulator inspections and the management of Transnet's license and permit repository are tracked, monitored, and reported to the Board committees and prioritised accordingly.

The Regulation and Compliance department is the custodian of all Company policies and regularly reports to the Board Committees in that regard. The department ensures that designated policy sponsors and policy owners receive appropriate training on the Company's policy governance framework, including their roles and responsibilities in policy development, implementation, and review. A quality assessment and improvement programme (QAIP) has been developed to advance compliance maturity in the Company. The implementation of the QAIP includes a compliance function self-assessment to assess potential gaps and opportunities for improvement.

King IV principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term

REMSEC

The Board has delegated the oversight of all human capital-related matters to the REMSEC. The Committee considers the non-binding advisory vote of the Shareholders on the Company's remuneration policy. It assists the Board in setting and administering a Remuneration Policy and related practice standards that align with the Company's strategy.

REMSEC also oversees the assessment of fees for non-executive directors and the remuneration of prescribed officers, which the Board submits to the Shareholder Representative for consideration for approval at the AGM.

Remuneration Policy

The Board approved a Remuneration Policy applicable to management category employees, including executives' remuneration. The payment of non-executive directors' fees, and remuneration in respect of executive directors and prescribed officers is aligned with the Shareholder's guidelines on remuneration as well as the Company MOI.

To support implementation, the Company has developed a standard operating procedure to ensure consistency and fairness in the application of all its remuneration principles across all categories. This is particularly important given the size and operational complexity of Transnet.

In support of the above, the Company has also developed a Remuneration Benefits Policy which caters to all employees.

There is, however, no remuneration policy for the bargaining unit employees, as the remuneration and conditions of employment for these employees are outlined in various collective and variation agreements.

The remuneration and implementation report is tabled annually for a separate non-binding advisory vote by the Shareholder at the AGM.

Remuneration report

The remuneration report provides details of all fees paid to non-executive directors, and elements of remuneration awarded to executive directors and prescribed officers during the current reporting period and the preceding year.

Principle 15:

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisation's external reports

Internal audit

The Board has delegated the oversight responsibility of both the Internal Audit and External Audit functions to the Audit Committee. The Internal Audit Charter sets out these responsibilities, which include the purpose, status, authority and responsibilities of Internal Audit as approved by the Audit Committee. The Internal Audit Charter is reviewed and updated on an "as and when required" basis, with an annual minimum frequency.

The CAE ensures that Transnet Internal Audit (TIA) has the necessary and adequate skills to perform the function effectively. The CAE reports functionally to the Audit Committee and administratively to the Group Chief Executive, ensuring the independence of the Internal Audit function. The CAE is a permanent employee of the Company and a member of the Group Exco with no voting rights to ensure independence. The CAE has direct access to the Chairperson of the Audit Committee.

The Audit Committee appointed the current CAE in March 2022. There are mechanisms in place for conducting continuous performance assessments and monitoring of both the person and the function, which are done annually.

TIA prepares and submits an annual three-year rolling risk-based audit plan to the Audit Committee for approval. The 2024/25FY audit plan was approved in February 2024, while the 2025/26FY plan was approved in May 2025.

An annual statement on the effectiveness of the governance, risk management and internal controls is submitted to the Audit Committee for consideration. In May 2024, the Audit Committee noted the Control Environment Assessment (CEA) and Internal Financial Controls (IFC) Assessment for the 2024/25FY. The CEA and IFC Assessments for the 2025/26FY have been presented at the Audit Committee meeting held in August 2025, for noting.

As part of the TIA QAIP, internal quality assurance is conducted continuously, and an external independent review is conducted every five years. The 2022 external quality assurance review

of the Internal Audit function returned a "generally conforms" outcome, the highest level of conformance per the internal audit standards.

All Internal Audit staff, including employees from the TIA strategic partner firms, complete an annual ethics and professionalism declaration confirming conformance to the requirements of the global internal audit standards and the Transnet Code of Ethics Commitment Statement. For the 2024/25FY, all internal audit staff completed the required declarations, where no unmitigated ethical breaches or conflicts of interest were identified that would impact the independence and objectivity of TIA.

The CAE confirmed that the TIA has performed its duties free from any undue influence with no material threats to its independence, incidents of impaired objectivity or contraventions to any professional code of conduct during the execution of the 2024/25FY audit plan.

Combined assurance

The Audit Committee approved the revised Combined Assurance Policy in February 2025, and the rollout and implementation of the policy and framework continue to be ongoing across the Company. Combined assurance maps have been developed and are being rolled out within the Company.

Reports from Internal Audit, External Audit and Combined Assurance are submitted to the Audit Committee to support their assessment of the control environment and the integrity of reported information. The Audit Committee approved the combined assurance plan for the 2025/26FY in May 2025.

Assurance of external reports

As a statutory requirement, External Audit assures the Company's Annual Financial Statements, among others. External Audit reviews the Integrated Report to ensure alignment with the audited Annual Financial Statements. As part of the 2025/26 FY audit plan, the second line of assurance will be assuring the Corporate Plan development process and performance target assurance on specific assumptions.

King IV principle 16:

In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

Stakeholder relationships

The Board delegated authority for stakeholder management and related engagements to the Group Chief Executive. The Group Chief Executive is responsible for escalating material issues arising from engagements with different stakeholders into the Company's reports.

Stakeholder engagement practices are aligned with the Company's Culture Charter and core values. The principles of inclusivity, accountability, materiality and responsiveness guide these engagements. The performance of stakeholder engagement is measured through key performance indicators assigned to each appointed stakeholder relationship owner.

The Corporate Affairs department coordinates all stakeholder management activities, with overall responsibility remaining with the Board.

The Company produces an annual stakeholder engagement report, which provides an overview of stakeholder engagements across the business. The report is reviewed and approved by REMSEC and is published as part of the Integrated Report to ensure transparency and accountability to external stakeholders.

The Company has adopted guidelines from the AA1000 standards, including the Accountability Principles Standard (2008) and the AA1000 Stakeholder Engagement Standard (2011). The stakeholder engagement report also assesses the quality of material stakeholder relationships and the appropriateness of the Company's responses to the engagement outcomes. The Stakeholder Engagement Policy and Stakeholder Engagement and Management Procedure (SEMP) are approved at Board level.

Stakeholder management

Stakeholder engagement practices are aligned with the DOA Framework. A Group Stakeholder Engagement Forum coordinates and integrates common approaches to stakeholder management. Additionally, the Regional Stakeholder Engagement Forums guide on matters that require an integrated approach and provide feedback on community engagement, grievances and developments.

The Stakeholder Engagement Policy outlines the Company's overarching principles and processes for stakeholder engagement. The SEMP serves as a standard operating procedure guiding how stakeholders are to be engaged.

The Company's stakeholder universe identifies key and material stakeholders based on their level of interest or influence in the organisation. All the stakeholder management frameworks are designed to enhance the tracking and reporting of engagement activities. The Corporate Affairs Department compiles reports in line with emerging ESG reporting standards and reports to REMSEC.

Shareholder engagement and the AGM

Engagement between the Shareholder Representative is ongoing and includes formal interactions at the AGM. The notice of the 2024 Annual General Meeting was published on the Company's website.

The Auditor-General South Africa serves as the Company's external auditor and attended the Company's 34th Annual General Meeting held on 2 September 2024 by invitation.



ANNEXURE A

EFFECTIVE MEETINGS

The Board and its Committees meet at least four times annually, with additional meetings convened as necessary. The Group Company Secretary facilitates the coordination and administration of meetings in accordance with the approved annual work plans and corporate calendar. Directors are expected to attend all meetings and come adequately prepared to support effective and timely decision-making.

Decisions and resolutions from Board and committee meetings are formally recorded, with minutes tabled for approval at the subsequent meeting to ensure accurate record keeping and accountability.

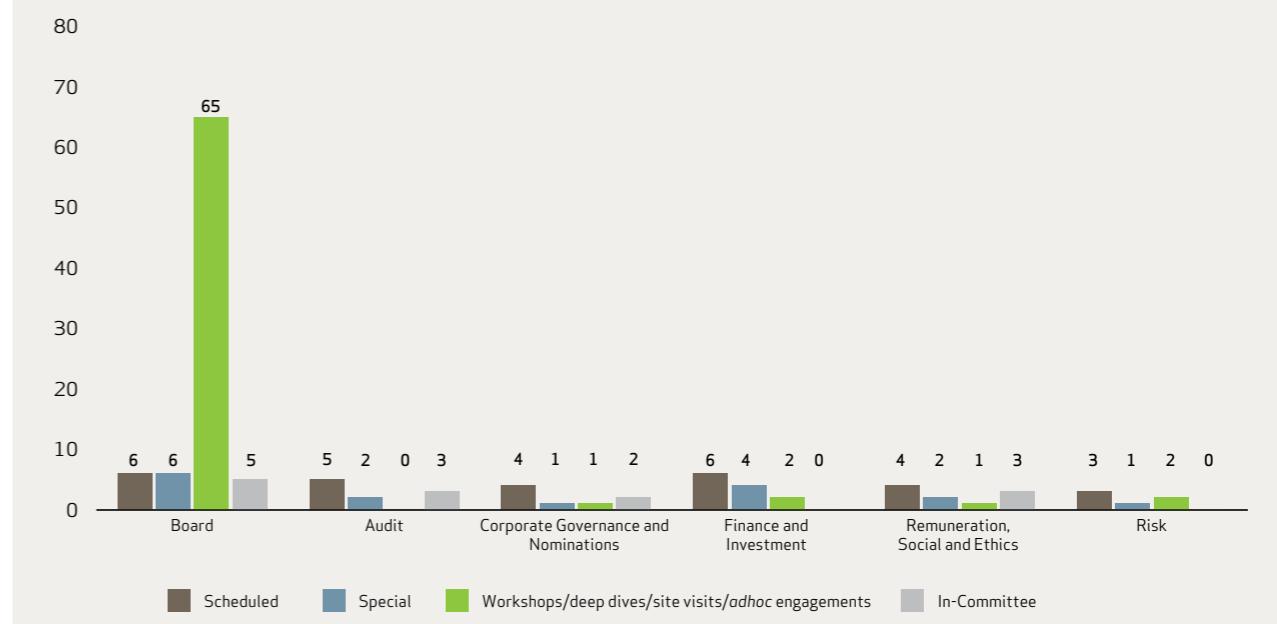
During the current recovery phase, the Board met more frequently to provide enhanced oversight and agile decision-making in response to evolving challenges and priorities, particularly in light of the instability caused by management vacancies.

Schedule of directors' attendance at Board and Committee meetings for the year ended 31 March 2025

	Board	Audit Committee	Corporate Governance and Nominations Committee	Finance and Investment Committee	Remuneration, Social and Ethics Committee	Risk Committee
Number of meetings held	17	10	7	10	9	4
Dr AH Sangqu	17	-	7	-	-	-
Ms MJ Phillips (GCE)	17	-	-	-	-	-
Ms RNM Maphumulo (GCFO)	11	-				
*Mr CS Benjamin	6	6	2	5	-	-
Ms SRM Buthelezi	10	8	-	1	-	2
Mr MAW Debel	16	9	-	10	-	4
Ms LM Letsoalo	16	2	2	8	9	4
Mr BM Jiya	15	2	-	8	9	
Mr DD Patel	14	10	7	10	-	-
Prof FS Mufamadi	13	-	7	-	9	3
Ms BG Sedupane	16	-	6	3	9	4
MP Zambane	11	9	7	-	9	4

* Ceased to be a director of the Company during the period under review.

BOARD AND COMMITTEE MEETINGS FOR THE 2024/25FY



THE BOARD OF DIRECTORS

The Board's primary role and responsibility is to ensure optimised sustainable business performance, which it executed effectively during the year under review.

The Board held 17 meetings during in 2024/25FY, and some of the matters addressed by the Board are outlined below:

- Approval of the 2023/24FY Integrated Report, Annual Financial Statements (incl. the Director's report, going concern assessment, press release, and all other year-end reports/statements recommended by the respective committees);
- Approval of the Company's 34th AGM pack, including notice and proposed resolutions;
- King IV Application Register (Unabridged Governance Report) for the 2023/24FY;
- JSE Disclosure and Annual Compliance Report;
- Group Chief Executive performance scorecard;
- Enterprise supplier development and localisation strategy;
- Communication strategy;
- Financial and funding plan for 2025/26FY;
- CSI Policy;
- Establishment of TRIM;
- ERM strategy and framework; and
- Transnet National Ports Authority incorporation.



BOARD COMMITTEES

The Board has established five Board committees.

Audit Committee

The Audit Committee is a statutory committee of the Board, established in terms of the PFMA and the Companies Act, 2008. Its primary responsibility is to provide oversight of the Company's financial reporting processes, internal controls, and both internal and external audit functions, while also ensuring compliance with applicable legal and regulatory requirements. This committee was reconstituted during the year under review following the end of tenure of the then Audit Committee Chairperson, Mr Benjamin, at the end of August 2024.

Audit Committee composition as at 30 June 2025

Chairperson

Ms LM Letsoalo

Ms SRM Buthelezi

Mr MAW Debel

Mr DD Patel

Ms MP Zambane

The Committee held 10 meetings during the year under review, and some of the matters considered by the Committee are outlined below:

- Internal audit charter;
- Internal audit plan;
- External audit strategy and audit fees budget;
- Group accounting policies;
- Financial risk management strategy;
- Audit Committee report for 2023/24FY;
- The 2023/24FY Integrated Report and Annual Financial Statements (including going concern assessment, press release, management representation letters, and supporting reports/statements);
- JSE annual compliance checklist; and
- Interim financial results for 30 September 2024 (Going concern, interim results press release and SENS announcement).

REMSEC

A statutory committee that supports the Board in discharging its oversight responsibilities relating to responsible corporate citizenship, ethical leadership, and safety and security-related matters. In addition, the Committee is mandated to oversee issues of ESG performance, human capital management, and succession planning for members of the extended Exco, excluding executive directors.

REMSEC composition as at 30 June 2025

Chairperson

Prof FS Mufamadi

Mr BM Jiya

Ms LM Letsoalo

Ms BG Sedupane

Ms MP Zambane

The Committee held nine meetings during the year under review and some of the matters considered by the Committee are outlined below:

- Remuneration report;
- Stakeholder engagement report;
- ESG performance for 2023/24FY;
- Travel and Subsistence Allowance Policy;
- Enterprise Supplier development strategy;
- Management and bargaining unit wage increase mandate for 2025/26FY; and
- Group Chief Executive performance assessment for 2023/24FY.

Corporate Governance and Nomination Committee

The Committee provides corporate governance support to the Board and its Committees, ensuring the integrity and effectiveness of the Company's governance structures and processes. It is responsible for developing, maintaining, and periodically reviewing the Company's corporate governance policies, frameworks, and processes to ensure alignment with best practices and evolving regulatory requirements.

The Committee also ensures that the composition, skills, and diversity of the Board and its Committees are appropriate to enable the Board to fulfil its governance mandate effectively. In addition, it provides oversight of regulatory compliance matters, including those related to ICT governance and associated regulatory obligations. The Committee also monitors the Company's performance against the Shareholder's Compact to ensure alignment with strategic objectives and accountability to the Executive Authority.

Corporate Governance and Nominations Committee composition as at 30 June 2025

Chairperson

Dr AH Sangqu

Ms LM Letsoalo

Pro FS Mufamadi

Mr DD Patel

Ms BG Sedupane

Ms MP Zambane

The Committee held seven meetings during the year under review, and some of the matters considered by the Committee are outlined below:

- Monitoring of the performance against the Shareholder's Compact targets;
- Board skills matrix;
- Board committee compositions;
- King IV application register (Unabridged Governance Report) for 2023/24FY;
- Non-executive directors training and development plan;
- Board Evaluation Policy;
- Companies and Intellectual Property Commission (CIPC) compliance checklist;
- Board evaluation report; and
- ICT governance compliance.

Finance and Investment Committee

The Committee is tasked with advancing and upholding the Company's financial and investment decisions supported by relevant policies and processes. The Committee considers strategic growth investments and partnerships and approves/recommends divestments where appropriate, to optimise capital and funding allocation.

Finance and Investment Committee composition as at 30 June 2025

Chairperson

Mr DD Patel

Ms SRM Buthelezi

Mr MAW Debel

Ms LM Letsoalo

Mr BM Jiya

The Committee held 10 meetings during the year under review and some of the matters considered by the Committee are outlined below:

- Code of Conduct of the TRIM;
- Balance sheet optimisation;
- Property management and property assets management policies;
- Financial and funding plan for 2025/26FY;
- Supplier relationship management strategy; and
- All key investment decisions within the ambit of the Committee in line with the DOA Policy and Framework.



ANNEXURE A continued

Risk Committee

The Risk Committee provides risk management support to the Board by overseeing the development, implementation and assessment, and review of risk strategies and policies to ensure mitigation of risks to the Company strategy.

Risk Committee composition as at 30 June 2025

Chairperson

Ms MP Zambane

Ms SRM Buthelezi

Mr MAW Debel

Ms LM Letsoalo

Prof FS Mufamadi

The Committee held four meetings during the year under review, and some of the matters considered by the Committee are outlined below:

- BCM strategy;
- Reviewing the risk section of the Integrated Report;
- ERM Framework and strategy;
- Risk management plan;
- Integrated Risk Management Policy;
- Fraud risk management plan for 2024/25FY;
- Revised strategic risk profile and appetite statements for 2024/25FY; and
- Annual insurance renewal for 2025/26FY.

