

ANNEXURE A: DIRECTORS' ATTENDANCE AT BOARD OF DIRECTORS' AND COMMITTEE MEETINGS

Schedule of directors' attendance at Board of Directors' and committee meetings

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Board/committee	Board	Audit Committee	Corporate Governance and Nominations Committee	Remuneration, Social and Ethics Committee	Risk Committee	Acquisitions and Disposals Committee
Number of meetings held	7	4	3	5	4	7
Ms LC Mabaso (Chairperson)	6	-	3	-	-	5
Ms Y Forbes ¹	7	-	3	4 ¹	1 ¹	-
Mr SI Gama ²	7	4 ³	3 ²	3 ³	3 ²	5 ²
Mr GJ Mahlalela	6	4	-	-	4	-
Ms PEB Mathekga	7	3 ⁴	3	-	-	-
Mr ZA Nagdee	7	-	-	5	-	7
Mr VM Nkonyane	6	-	3	5	-	-
Mr GJ Pita	7	4 ⁵	-	-	3 ⁵	5 ⁵
Mr SD Shane	7	-	-	3	-	7
Mr BG Stagman	7	4	-	-	3	-
Mr PG Williams ⁶	5	3	-	-	3	-

¹ Member of REMSEC until 21 January 2017, and member of Risk Committee effective 22 January 2017.

² Mr Gama was appointed as a member of the non-statutory Board committees, namely Acquisitions and Disposals, Corporate Governance and Nominations and Risk committees, effective from 31 August 2016.

³ Mr Gama is a standing Attendee at the Audit and Remuneration, Social and Ethics Committees.

⁴ A scheduled meeting of the Audit Committee, per the approved Corporate Calendar was rescheduled from 20 October 2016 to 18 October 2016. Ms Mathekga tendered her apologies accordingly.

⁵ Mr Pita is a standing Attendee at the Audit, Risk and Acquisitions and Disposals Committees.

⁶ Mr PG Williams passed away on 15 March 2017.

Board	Summary of Board of Directors' mandate
Chairperson Ms LC Mabaso	The Board of Directors' primary mandate is to ensure the sustainable and successful continuation of business activities by providing strategic direction to the Company. Non-executive directors are appointed to the Board of Directors by the Shareholder Minister on a three-year term. The appointments are confirmed annually at the Annual General Meeting. The Chairperson of the Board of Directors engages continuously with the Shareholder Minister, who is the final arbiter on the Board of Directors' succession plans and approval of transaction applications in accordance with the provisions of section 54 of the PFMA. King III – and now King IV – imposes specific responsibilities on the Board of Directors. The non-executive directors embrace these and acknowledge that the Board of Directors is primarily responsible for ensuring that the Company's strategy, risk compliance, performance and sustainability are inseparable. The Board of Directors provides effective leadership based on an ethical foundation of responsibility, accountability, fairness and transparency.
Members Ms Y Forbes Mr SI Gama Mr GJ Mahlalela Ms PEB Mathekga Mr ZA Nagdee Mr VM Nkonyane Mr GJ Pita Mr SD Shane Mr BG Stagman Mr PG Williams ¹	

¹ Mr PG Williams passed away on 15 March 2017.

Summary of key activities and key outputs (decisions, approvals, policies and procedures) for the 2017 financial year

The Board of Directors held seven meetings during the year under review where it considered, among others, the following:

- Approved the Global Medium-term Note Programme financial results for the year ended 31 March 2016;
- Approved the Directors' Valuation of Unlisted Investments and movements in the Impairment Provisions for the year ended 31 March 2016;
- Approved the integrated sourcing strategy for Durban Container Terminal Berths 203 to 205 reconstruction, deepening and lengthening, including the main works package;
- Approved the Transnet Second Defined Benefit Fund (TSDBF) and Transnet Sub-fund of the Transport Pension Fund (TTPF): 2016 ad hoc bonus payment;
- Approved the Dividend Policy as contained in the Report of the Directors as part of the 2016 financial year Annual Financial Statements;
- Approved the proposed GCE's 2017 financial year Performance Agreement, and delegated authority to the Chairperson to submit same to the Shareholder Minister for information purposes prior to 30 June 2016;
- Approved the formation of the Intellectual Property Committee, and delegated authority to the Chairperson to submit same to the Shareholder Minister for approval;
- Approved the Maintenance Agreement for Locomotives;
- Approved the Reviewed Property Disposal Strategy;
- Approved the award of contract for delivery of steel for a period of five years;
- Approved the 2017 financial year Board committees' composition;
- Approved the Delegation of Authority Framework, subject to the proposed amendments;
- Approved the Delegation of Authority to the GCE;
- Approved the proposed amendments to the existing Board and Board committee mandates;
- Approved the Risk Appetite Statement for the 2017 financial year, subject to the proposed amendments;
- Approved the 2018 financial year Shareholder's Compact;
- Approved the Amendment to the Rules of the Transnet Retirement Fund;
- Approved the appointments to the Pension Fund;
- Approved the increase in ETC and change in ATO date for the NMPP project;
- Approved the Corporate Governance Policy Framework;
- Approved the Memorandum of Incorporation of Transnet International Holdings Ltd (TIH);
- Adopted the resolutions from the Strategy Workshop;
- Approved the Shareholder's Agreement and Memorandum of Incorporation to be entered into between Transnet SOC Ltd and CRRC Zhuzhou - Group SA (Pty) Ltd;
- Approved the Transnet and General Electric Digital Initiative (Project Zakiya);
- Approved the proposed Corporate Calendar for the 2018 financial year;
- Approved the proposed submission in preparation for the forthcoming AGM scheduled to be held on 29 June 2017;
- Approved the amended Policy on Non-executive Directorship and Trusteeship of Transnet Employees with effect from 1 January 2017;
- Approved the proposed Annual Work Plan for the 2018 financial year;
- Approved the compensation clause in the Agreement between TNPA and OTGC;
- Approved the IT Data Services contract extension;
- Approved the Fleet Heavy Commercial Vehicles Strategy;
- Approved the Godisa Supplier Development Fund: Appointment of a Director;
- Approved the amended targets of the draft 2018 financial year Shareholder's Compact for submission to the Shareholder Minister, subject to the proposed amendments;
- Approved the volume and financial budget, capital investment plan and funding requirements for inclusion in the 2018 financial year Corporate Plan, which will be submitted for approval at the forthcoming Board meeting;
- Approved the Mergers and Acquisitions Framework to serve as a guiding principle for the Company's best practice in undertaking mergers and acquisitions activity;
- Approved the amended targets of the draft 2018 financial year Shareholder's Compact for submission to the Shareholder Minister, subject to the proposed amendments;
- Approved the volume and financial budget, capital investment plan and funding requirements for inclusion in the 2018 financial year Corporate Plan, which will be submitted for approval at the forthcoming Board meeting of 22 February 2017;
- Approved that Ms Forbes be appointed as a member of the Risk Committee and removed as a member of the Remuneration, Social and Ethics Committee;
- Approved the revised Audit Committee mandate;
- Approved the Treasury Financial Risk Management Framework;
- Approved the following:
 - The Company's 2018 financial year Corporate Plan as required in terms of section 52 of the Public Finance Management Act, No 1 of 1999, as amended; and
 - The Company's 2018 financial year Borrowing Plan (included in the Corporate Plan) as required in terms of section 66(7)(a) of the Public Finance Management Act, and the Financial Plan.

Audit Committee	Summary of committee mandate
Chairperson Mr BG Stagman	The Audit Committee (the committee) is constituted as a statutory committee of Transnet SOC Ltd in respect of its statutory duties in terms of Treasury Regulation 27.1, executed under section 76 (4)(d) the Public Finance Management Act, 1999 (Act No1 of 1999) (the PFMA), section 77 of the PFMA and section 94(7) of the Companies Act, 2008, and as a committee of the Board of Directors in respect of all duties assigned to it by the Board of Directors in terms of its mandate. The purpose of the committee is to:
Members Mr GJ Mahlalela Ms PEB Mathekga Mr PG Williams ¹	<ul style="list-style-type: none"> • Assist the Board of Directors in discharging its duties relating to the safeguarding of assets and the evaluation of internal control frameworks within the Company; • Review and assess the integrity and effectiveness of the accounting, financial, compliance and other control systems; • Consider the internal and external audit processes and the accounting principles and policies; • Strengthen the independence of the internal and external audit functions to ensure their effectiveness; • Ensure effective communication between the internal auditors, the external auditors, the Board of Directors, management and regulators; • Ensure compliance with and adherence to applicable legal, regulatory and accounting requirements; • Contribute to a climate of discipline and control which will reduce the opportunity for fraud; and • Assist the Board of Directors in discharging its duties as pertains to ICT Governance.

Summary of key activities and key outputs (decisions, approvals, policies and procedures) for the 2017 financial year

The committee held four meetings during the year under review where it considered, among others, the following:

- Recommended that the Board of Directors approves the Committee Evaluation Report and the Action List for the 2016 financial year;
- Recommended that the Board of Directors approves the Integrated Report, Annual Financial Statements and Press Announcement for the 2016 financial year;
- Recommended that the Board of Directors approves the Going-concern Assertion as at 31 March 2016;
- Recommended that the Board of Directors approves the GMTN financial results for the period ended 31 March 2016;
- Recommended that the Board of Directors approves the Audit Committee Report for the year ended 31 March 2016;
- Recommended that the Board of Directors approves the Sustainability Report for the 2016 financial year;
- Recommended that the Board of Directors approves the directors' valuation and impairment provision of unlisted investments for the period ended 31 March 2016;
- Recommended that the Board of Directors approves the Annual Financial Statements and Management Representation Letter of TNPA and TPL for the 2016 financial year;
- Recommended that the Board of Directors approves the following for inclusion in the Annual Financial Statements:
 - There were no reportable PFMA items exceeding R25 million for Q4 of the 2016 financial year;
 - Results of the online PFMA Accreditation Assessment as at 31 March 2016; and
 - Status update on the PFMA initiatives undertaken to prevent and reduce PFMA violations.
- Approved the assessment of the Chief Financial Officer;
- Approved the assessment of the Finance function;
- Approved the assessment of the Chief Audit Executive;
- Recommended that the Board of Directors approves the proposed amendments to the existing Audit Committee mandate;
- The committee approves the change in the Company's internal definition of the Cash Interest Cover ratio;
- Recommended that the Board of Directors approves the proposed amendments to the Delegation of Authority Framework;
- Recommended that the Board of Directors approves the GMTN Interim Financial Results, Going-concern Assessment, Management Representation Letter and Draft Press Release for the period ended 30 September 2016;
- Recommended that the Board of Directors approves the proposed Corporate Calendar for the 2017 financial year;
- Approved the Audit Planning Memorandum for the period ending 31 March 2017;
- Approved the Audit Committee Annual Work Plan for the 2018 financial year, subject to the proposed amendments;
- Recommended that the Board of Directors approves the proposed amendments to the existing Audit Committee mandate, subject to proposed amendments;
- Recommended that the Board of Directors approves the proposed submission in preparation for the forthcoming AGM scheduled to be held on 29 June 2017;
- Recommended that the Board of Directors approves the updated Financial Risk Management Framework;
- Approved the GMTN Financial Results for the period ended 31 December 2016;
- Approved the Going-concern Assessment for the period ended 31 December 2016;
- Approved the Transnet Internal Audit Charter for the 2018 financial year; and
- Approved the three-year rolling Strategic Internal Audit Plan for the 2018 financial year to the 2020 financial year and the Transnet Internal Audit budget for the 2018 financial year, subject to proposed amendments.

¹ Mr PG Williams passed away on 15 March 2017.

Remuneration, Social and Ethics Committee

Summary of committee mandate

Chairperson

Mr VM Nkonyane

Members

Ms Y Forbes²

Mr ZA Nagdee

Mr SD Shane

The Remuneration, Social and Ethics Committee is constituted as a statutory committee of Transnet SOC Ltd in respect of its statutory duties in terms of section 72(4) and Regulation 43 of the Companies Act, 2008, and as a committee of the Board of Directors in respect of all other duties assigned to it by the Board of Directors in terms of its mandate. The purpose of the committee is to:

- Advise the Board of Directors in regard to responsible corporate citizenship and the ethical relationship between the Company and its stakeholders, both internally and externally. The committee will manage the Company's legal and moral obligations for its economic, social and natural environment, including the objectives and standards of the Company's conduct and activities;
- Manage and monitor the Company's activities to achieve and maintain world-class standards in the Company's social and ethics environment, with due regard to all relevant legislation, policies, legal requirements and codes of best practice;
- Oversee the ethics management programme implemented by management;
- Ensure that competitive reward strategies and programmes are in place to facilitate the recruitment, motivation and retention of high-performance staff at all levels in support of realising corporate objectives and to safeguard Shareholder interests;
- Review the design and management of salary structures, policies and incentive schemes and to ensure that they motivate sustained high performance and are linked to corporate performance;
- Review the mandates of the remuneration committees of the subsidiaries of Transnet and to approve the remuneration policies and practices recommended by them;
- Develop and implement a remuneration philosophy for disclosure to enable a reasonable assessment of reward practices and governance processes to be made by stakeholders;
- Recommend the level of independent non-executive directors' fees to the Board of Directors;
- Ensure compliance with applicable laws and codes;
- Consider and make recommendations on all human capital matters related to the:
 - Restructuring of Transnet;
 - Disposal of assets/part of Transnet's business;
 - Acquisition of assets/new business; and
 - Development of human resources issues.
- Approve succession planning policy and procedures for the Group Leadership Team (other than executive directors) and Extended Leadership Team.

Summary of key activities and key outputs (decisions, approvals, policies and procedures) for the 2017 financial year

The committee held five meetings in the year under review where it considered, among others, the following:

- Recommended that the Board of Directors approves the Committee Evaluation Report for the 2016 financial year, subject to the proposed amendments;
- Approved the Short-term Incentive payment for the 2016 financial year;
- Approved the Remuneration Report for inclusion in the Directors' Report for the 2016 financial year Integrated Report;
- Recommended that the Board approves the Sustainability Report for the 2016 financial year, subject to proposed amendments;
- Approved the Principles of the Short-term Incentive Scheme;
- Approved the Company's Ethics Management Programme, strategy and plan for the period of 2017 financial year to 2019 financial year;
- Approved the following:
 - High-level guiding principles that will inform the review of the Company's incentive schemes;
 - The design of the sales incentives; and
 - To obtain approval for the high-level principles to inform the modelling approach.
- Approved the Company's Ethics Management Programme, strategy and plan for the period of 2017 financial year to 2019 financial year;
- Approved the following:
 - Commencement of labour consultation, with a view to plan for the termination and withdrawal of current agreed incentive schemes across the business; and
 - The proposed way forward with regard to a phased-in implementation approach.
- Approved the proposed committee Annual Work Plan for the 2018 financial year, subject to proposed amendments;
- Recommended that the Board of Directors approves the Corporate Calendar for 2018 financial year;
- Approved the proposed amendments to the Ground Rules of the Transnet Long-term Incentive Scheme;
- Approved the payment of the 2014 financial year conditional awards on 26 April 2017 based on the Ground Rules of the Long-term Incentive Scheme;
- Approved the allocation of the Long-term Incentive grants for eligible participants for the 2016 financial year;
- Approved the Communication Plan for 2018 financial year;
- Approved the Whistle-blowing Policy;
- Approved the Anti-bribery and Anti-corruption Policy;
- Recommended that the Board of Directors approves the Structure and Materiality for the Sustainability Report for the 2017 financial year; and
- Recommended that the Board of Directors approves the amendment of clause 2.1 of the mandate, to state that "The committee shall, at all times, have at least three non-executive directors of the Company elected as members".

² Member of REMSEC until 21 January 2017, and member of the Risk Committee effective 22 January 2017.

Corporate Governance and Nominations Committee	Summary of committee mandate
<p>Chairperson Ms LC Mabaso</p> <p>Members Ms Y Forbes¹ Ms PEB Mathekga Mr VM Nkonyane</p>	<p>The Corporate Governance and Nominations Committee is constituted as a committee of Transnet SOC Ltd in respect of all other duties assigned to it by the Board of Directors in terms of its mandate. The purpose of the committee is to:</p> <ul style="list-style-type: none"> • Ensure that the Board of Directors' composition and structure enables it to fulfil the obligations of the Board mandate and advance and maintain the Company's corporate governance policies and the Corporate Governance Framework; • Set criteria for the nomination of directors to be recommended to the Board of Directors for appointment to the committees of the Board of Directors, other than the Audit Committee; • Nominate potential Audit Committee members for appointment by the Shareholder Minister; • Nominate potential Remuneration, Social and Ethics members for approval by the Board of Directors and confirmation by the Shareholder Minister; • Ensure that best practice succession planning policies are implemented in respect of executive directors and independent non-executive directors; and • Administer and manage the selection process of the Company's Chief Executive on behalf of the Board of Directors and make recommendations on the top-three candidates, in order of priority, to the Board of Directors, by complying with the "Guidelines for the appointment of a Chief Executive for a State-owned Enterprise".

Summary of key activities and key outputs (decisions, approvals, policies and procedures) for the 2017 financial year

The committee held three meetings during the year under review where it considered, among others, the following:

- Recommended that the Board of Directors approves the Board Evaluation Report and Action Plan for the 2016 financial year;
- Recommended that the Board of Directors approves the Committee Evaluation Report and Action List for the 2016 financial year;
- Recommended that the Board of Directors approves the proposed AGM arrangements and statutory authorisation applicable to the proposed agenda;
- Recommended that the Board of Directors approves the Integrated Report, subject to the minor amendments;
- Recommended that the Board of Directors approves the Transnet Second Defined Benefit Fund (TSDBF) and Transnet Sub-fund of the Transport Pension Fund (TTPF) 2016 ad hoc bonus payments to the respective pensioners;
- Recommended that the Board of Directors approves the Draft Sustainability Report for the 2016 financial year, subject to proposed amendments;
- Approved the proposed Acquisitions and Disposals Committee training programme;
- Recommended that the Board of Directors notes the outcome on the adoption of King III principles based on the Governance Assessment Instrument (GAI), and the inclusion of the GAI Report in the Integrated Report for the 2016 financial year;
- Recommended that the Board of Directors approves the 2017 financial year Board committees' composition;
- Recommended that the Board of Directors approves the Corporate Governance Policy Framework, subject to the proposed minor amendments;
- Recommended that the Board of Directors approves the proposed amendments to the Rules of the Transnet Retirement Fund;
- Recommended that the Board of Directors approves the proposed Trustees for the Pension Funds;
- Recommended that the Board of Directors approves the amended Policy on Non-executive Directors and Trusteeship of Transnet Employees;
- Recommended that the Board of Directors approves the proposed amendments to the Delegation of Authority Framework, subject to proposed amendments;
- Recommended that the Board of Directors approves the Corporate Calendar for the 2018 financial year, subject to minor amendments;
- Recommended that the Board of Directors approves the proposed submission in preparation for the forthcoming AGM and notes the matters arising list from the previous AGM; and
- Approved the committee's Annual Work Plan for the 2018 financial year, subject to the proposed amendments.

¹ Member of REMSEC until 21 January 2017, and member of the Risk Committee effective 22 January 2017.

Risk Committee	Summary of committee mandate
Chairperson Mr PG Williams ¹ (Acting)	Risk Management is, as set out in King III and the PFMA, ultimately the responsibility of the Board of Directors. The Risk Committee is constituted as a committee of Transnet SOC Ltd in respect of all other duties assigned to it by the Board of Directors in terms of its mandate. The purpose of the committee is to: <ul style="list-style-type: none"> • Review and assess the integrity of the risk control processes and systems; • Ensure that the risk policies are managed effectively and in accordance with the Enterprise Risk Management Framework (ERM Framework) approved by the Board of Directors from time to time; • Ensure effective communication with the internal and external auditors, the Audit Committee, the Board of Directors, management and regulators on risk management; • Contribute to a climate of discipline and control which will reduce the opportunity for fraud and other operational losses; and • Assess any significant risk control failings or weaknesses identified and their potential impact, and confirm that appropriate action has been or is being taken.
Members Ms Y Forbes ² Mr GJ Mahlalela Mr BG Stagman	

Summary of key activities and key outputs (decisions, approvals, policies and procedures) for the 2017 financial year

The committee held four meetings during the year under review and considered, among others, the following:

- Approved the Committee Evaluation Report for the 2016 financial year;
- Approved the Committee Evaluation Action List for the 2016 financial year;
- Approved the proposed Annual Work Plan for the 2018 financial year;
- The committee approved the Risk Assessment on the 1 064 Locomotives and related mitigation measures;
- Approved the proposed changes to the Annual Insurance Renewal Limits for the 2018 financial year, subject to the final negotiations with the insurers, which will be reported upon conclusion; and
- Approved the Compliance Plan for the 2018 financial year.

¹ Mr PG Williams passed away on 15 March 2017.

² Member of REMSEC until 21 January 20a17, and member of the Risk Committee effective 22 January 2017.

Acquisitions and Disposals Committee	Summary of committee mandate
Chairperson Mr SD Shane	The Acquisitions and Disposals Committee is constituted as a committee of Transnet SOC Ltd in respect of all other duties assigned to it by the Board of Directors in terms of its mandate. The purpose of the committee is to: <ul style="list-style-type: none"> • Advance and maintain the Company's acquisition and disposal policies; • Approve procurement transactions within the committee's delegated authority; • Monitor trends in supplier development spend and progress on plan; • Consider strategic acquisitions and disposals and make recommendations to the Board of Directors; • Consider, for recommendation to the Board of Directors, potential private-sector participation models; • Review quarterly capital expenditure reports, and monitor execution of approved projects; • Monitor the implementation of strategic acquisitions against the approved plans; and • Approve procurement strategies for proposed acquisitions and disposals to the Board of Directors in line with the Delegation of Authority Framework.
Members Ms LC Mabaso Mr ZA Nagdee	

Summary of key activities and key outputs (decisions, approvals, policies and procedures) for the 2017 financial year

The committee held seven meetings during the year under review where it considered, among others, the following:

- Approved its Committee Evaluation Report for the 2016 financial year;
- Approved its Committee Evaluation Report Action List for the 2016 financial year;
- Approved the non-award for the Request for Proposal (RFP) No TE14-KLP-09T-0005 for the supply of critical spare parts and components to Transnet Engineering for the maintenance of the TFR GM/Electric Motor Diesel Locomotive fleet over a period of five years;
- Approved the Annual Work Plan for the 2018 financial year;
- Approved that the Annual Procurement Plan be submitted to National Treasury by the Group Chief Executive;
- Approved the Company's Infrastructure Framework for Infrastructure Procurement and Delivery Management;
- Approved the Enterprise and Supplier Development Initiatives for the 2017 financial year;
- Recommended that the Board of Directors approves the proposed Corporate Calendar for the 2018 financial year;
- Recommended that the Board of Directors notes the revised Corporate Plan and approves the 2018 financial year Budget and Progress Report;
- Approved the revised Company Procurement Ombudsman Terms of Reference; and
- Approved the Procurement and Transformation Targets as discussed with the Department of Public Enterprise for inclusion in the 2018 financial year Shareholder's Compact.

Group Leadership Team (GLT) meetings

Schedule of members' attendance at GLT meetings held during the period under review:

Meetings held	11
Mr SI Gama (Chairperson)	10
Mr MM Buthelezi	6
Mr GJE de Beer	7
Ms S Chetty ¹	1
Mr M Gregg-Macdonald ¹	2
Mr T Jiyane	11
Ms NE Khumalo ³	5
Mr ZE Lebelo ¹	2
Ms R Lepule ¹	2
Ms DC Moephuli	10
Ms MA Mosidi	8
Mr LMH Msagala ¹	2
Mr R Nair ¹	2
Mr K Phihlela ²	5
Mr GJ Pita	10
Ms S Qalinge ³	10
Mr K Reddy	9
Mr N Silinga ¹	2
Ms EAN Sishi	10
Mr KXT Socikwa ^{1,4}	0
Ms MA Sukati	9
Mr R Vallihu	2

¹ Messrs Gregg-Macdonald, Lebelo, Msagala, Nair, Silinga and Socikwa, and Mss Chetty and Lepule were members of the GLT meeting until 30 April 2016 prior the change in the corporate structure.

² Mr Phihlela was acting as Chief Business Development Officer until Mr de Beer's appointment on 1 August 2016.

³ Ms Khumalo, Ms Qalinge, and Ms Sukati as extended group leadership supporting the office of the GCE are attendees at the GLT meetings.

⁴ Rendered an apology for non-attendance.

ANNEXURE B: REMUNERATION REPORT

Remuneration

The Remuneration Report provides an overview of the Transnet remuneration philosophy and strategic intent, as well as detail of specific reward interventions that occurred during the 2017 financial year.

Terminology

For the purposes of this report:

- Executives refers to members of the Transnet Group Leadership Team and the Operating Divisional Executive Committees (grade levels A and B);
- Management refers to the rest of the management employees (grade levels C to F);
- Bargaining unit employees refers to all employees whose conditions of employment are negotiated. This term includes first-line managers, specialists and technicians (grade level G refers to first-line managers, specialists and technicians, and grade levels H to L to the rest of the bargaining unit employees); and
- Junior employees refer specifically to bargaining unit employees on the grade levels below the first-line managers, specialists and technicians.

Remuneration philosophy and strategy

Transnet is poised to become one of the world's largest freight logistics groups and is currently the largest and most crucial part of the freight logistics chain that delivers goods to each and every South African. Transnet's vision and mission is to be a focused freight transport company, delivering integrated, efficient, safe, reliable and cost-effective services to promote economic growth in South Africa.

The human resources strategy, inclusive of the reward strategy, is designed to facilitate and support the achievement of the strategic objectives of the Market Demand Strategy (MDS). The Transnet remuneration philosophy and framework form an integrated part of the key deliverables of the human resources strategy and therefore the reward strategies remain focused on entrenching a performance-driven culture.

The objective of the Transnet reward philosophy is to provide a framework for a fair and transparent reward dispensation that:

- Supports the objectives of the business strategy;
- Ensures the long-term sustainability of the business;
- Ensures that all employees are paid a fair and competitive salary;
- Aims to attract and retain valued employees; and
- Ensures that employees are rewarded and recognised for high performance.

The remuneration philosophy for Transnet takes into account the different hierarchical levels informed by complexity, decision-making and judgement.

Transnet has clustered these hierarchical levels into three respective categories of employees, summarised as follows:

- Executive and management levels;
- First-line managers, specialists and technicians (grade level G) form part of the bargaining unit; and
- Junior employees (grade levels H to L) form part of the bargaining unit.

The objective of the Transnet Remuneration Strategy is to:

- Provide an integrated approach for remuneration management across Transnet that effectively attracts, motivates, engages and retains the talent required to achieve Transnet's business objectives;
- Align remuneration practices with Transnet's business strategy, thereby ensuring that the remuneration practices support the business objectives;
- Inform remuneration decisions that will be made across Transnet to ensure:
 - Remuneration-related cost is contained;
 - Performance is recognised and rewarded;
 - Performance improvement is incentivised;
 - Changing business requirements can be accommodated;
 - Optimal return on expenditure is achieved;
 - Legal, ethical and best practice standards are adhered to;
 - The business remains sustainable over the long term;
 - Compliance with corporate governance and citizenship; and
 - Compliance with employment and tax legislation.

The different reward elements are discussed in detail in the paragraphs below.

Guaranteed pay

Transnet remains committed to fair remuneration practices that support the business objectives and create a culture and environment for superior performance, and facilitate employee development and retention of critical and key skills.

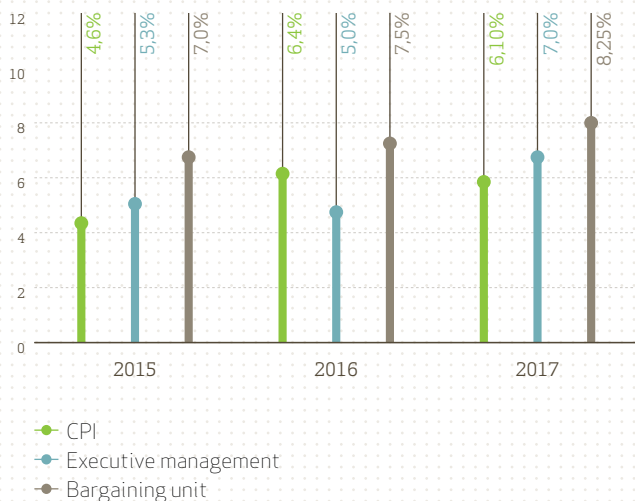
In general, Transnet strives to align guaranteed remuneration with the market median. The determination of individual remuneration levels is, however, strictly controlled across the business and subject to directives in this regard, and also informed by the various collective agreements.

Annual salary increases are informed by an approved mandate obtained from the Remuneration, Social and Ethics Committee of the Board of Directors. Annual increases for management levels are informed by individual performance ratings. Increases occur once annually or in the event of a promotion. Transnet does not support interim/ad hoc salary increases.

Transnet concluded a historical three-year wage agreement with the recognised labour unions, which expires in 2018. The three-year wage agreement continues to provide labour stability during the period and allows the opportunity for employees to focus on the achievement of the Transnet strategic objectives.

The graph below depicts the increases differentiated between executive management and the bargaining unit, compared to CPI for the past three years:

Annual increase vs CPI



Benefits

It is compulsory for all permanent employees to join the Transnet Retirement Fund, which provides for retirement funding, risk cover and a death benefit. The total contribution to the Transnet Retirement Fund is 19,5% consisting of an employer contribution of 12%, which covers the risk and death benefit portion, and an employee contribution of 7,5%.

Bargaining unit employees, who opt to become a principal members of one of the Transnet recognised medical schemes, are eligible to receive a medical subsidy. Bargaining unit employees also receive a guaranteed amount as housing allowance.

Both the housing allowance and the medical subsidy increase on an annual basis per the wage agreement.

Variable pay

Transnet has implemented a short- and a long-term incentive scheme. The Short-term Incentive Scheme is applicable to all employees and is governed by detailed ground rules, annually approved by the Remuneration, Social and Ethics Committee of the Board of Directors. The Long-term Incentive Scheme is applicable to executive and selected senior managers.

Individual strategic objectives of management employees are derived from and aligned with key performance indicators (KPIs) as stated in the Shareholder's Compact.

Short-term Incentive (STI) Scheme

The STI Scheme is designed to drive the annual achievement of stretch business targets and to reward employees for this effort.

The bonus pool funding the payment of the annual STI is generated by the achievement of the Transnet earnings before interest, tax, depreciation and amortisation (EBITDA) target. The pool is modified by a productivity measure relating to the KPIs as per the Shareholder's Compact, as well as the safety achievement. The non-achievement of productivity and safety measures can reduce the bonus pool by up to 50%.

Employees on all grade levels are eligible for payment in terms of the annual STI Scheme, subject to the achievement of the business targets. Eligibility percentages are differentiated based on grade level.

The management category has a higher component of at-risk pay (variable pay), specifically linked to the achievement of business targets. For managers, the individual bonus percentages are modified with individual performance ratings.

In addition to the annual component of the STI Scheme, a gain-share incentive scheme is implemented for bargaining unit employees. The objective of the gain-share is to enhance line of sight between targets and actual performance, as well as to ensure internal parity. This provided that the majority of bargaining unit employees could potentially earn:

- An annual on-target bonus component, aimed at achieving performance targets with an on-target eligibility of 10% for junior employees and 12% for first-line managers, specialists and technicians; plus
- A quarterly gain-share bonus component, which becomes accessible by exceeding the quarterly EBITDA and relevant secondary measure targets. Employees have the opportunity to gain up to a maximum of 16% per annum when super stretch business targets are exceeded.

The combined annual and gain-share components of the STI Scheme allow bargaining unit employees to earn up to a maximum of 26% of annual pensionable salary for junior employees and 28% of the annual cost-to-company package for first-line managers, specialists and technicians.

Transnet has revised its STI Scheme during the period with the objective to:

- Standardise and align all STI schemes across Transnet. The current gain-share scheme for bargaining unit employees is not standardised across the business, resulting in disparity of gain-share payments across Transnet;
- Strengthen integration across Transnet and focus on the full value chain; and
- Increase customer centricism by focusing on increased orders, as well as a flawless and safe execution of operational activities across the business.

The revised scheme has been approved by the Remuneration, Social and Ethics Committee of the Board of Directors and consulted with relevant stakeholders. It will be implemented during the 2018 financial period.

Long-term incentive (LTI) Scheme

Transnet has implemented LTI Scheme to sustain the achievement of the Transnet strategy, retain key talent to ensure the success of the strategy, and to continuously encourage stretch performance and reward performance above target.

The LTI is designed on a three-year rolling basis to ensure sustained business performance and retention over the three-year banking period. Participation in the scheme is informed by our level of seniority in the organisation, individual performance, as well as results from the talent management forum. Following the completion of the three-year banking period, the vesting payment is also subject to individual performance and talent rating criteria.

The LTI Scheme has specific clauses dealing with Company performance over the banking period, and to this effect a group modifier – the return on total average assets (ROTA) – is applied.

Individual performance management

The balanced scorecard performance management methodology for the management category, as well as for first line managers, specialists and technicians, is well entrenched.

The annual Company objectives as per the Shareholder’s Compact are translated into a corporate scorecard and then cascaded to all managers across Transnet. Performance, in terms of the corporate as well as individual scorecards, forms the basis for the determination of STI payments and annual increases.

On an annual basis, the individual performance ratings of managers

are ratified to ensure alignment of individual performance with the overall Transnet and Operating Division-specific performance.

During the 2016 reporting period, Transnet and its recognised unions, UNTU and Satawu, concluded the Progression Agreement for bargaining unit employees in the Transnet Bargaining Council. The agreement introduces a groundbreaking performance management approach for bargaining unit employees, which will align performance with reward, in line with Transnet’s drive to create a high-performance culture.

The performance management principles will drive individual, team and business-specific objectives, measures and targets. This approach will allow all employees to have clear visibility of their contribution to business drivers within the value chain.

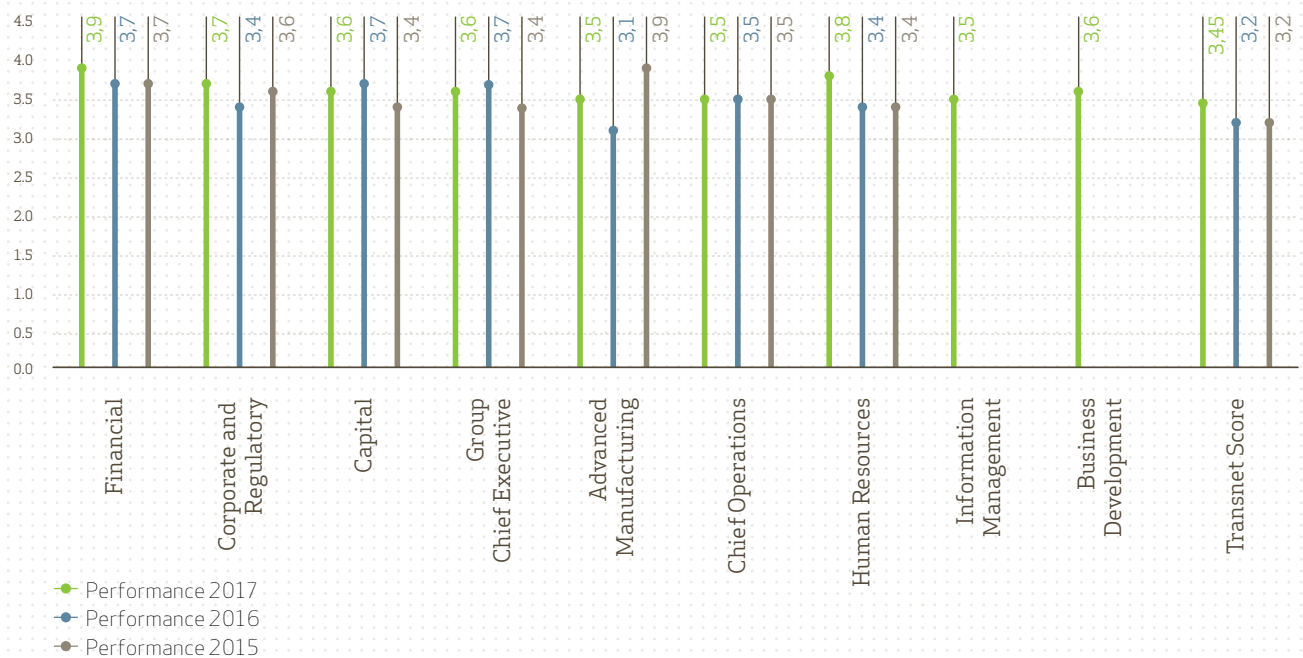
The individual performance management for bargaining unit employees will, from the 2018 financial period, also impact the STI payment for this category of employees.

Performance management for Group Leadership Team (GLT)

The individual performance targets for the members of the GLT are cascaded from the corporate plan and the Shareholder’s Compact. Quarterly performance assessments ensure that progress against targets is monitored and managed.

The graph below depicts the performance ratings of the members of the GLT over the past three financial periods compared to the overall performance rating of the Company:

Performance ratings for Group Leadership Team



Remuneration for Group Leadership Team (GLT)

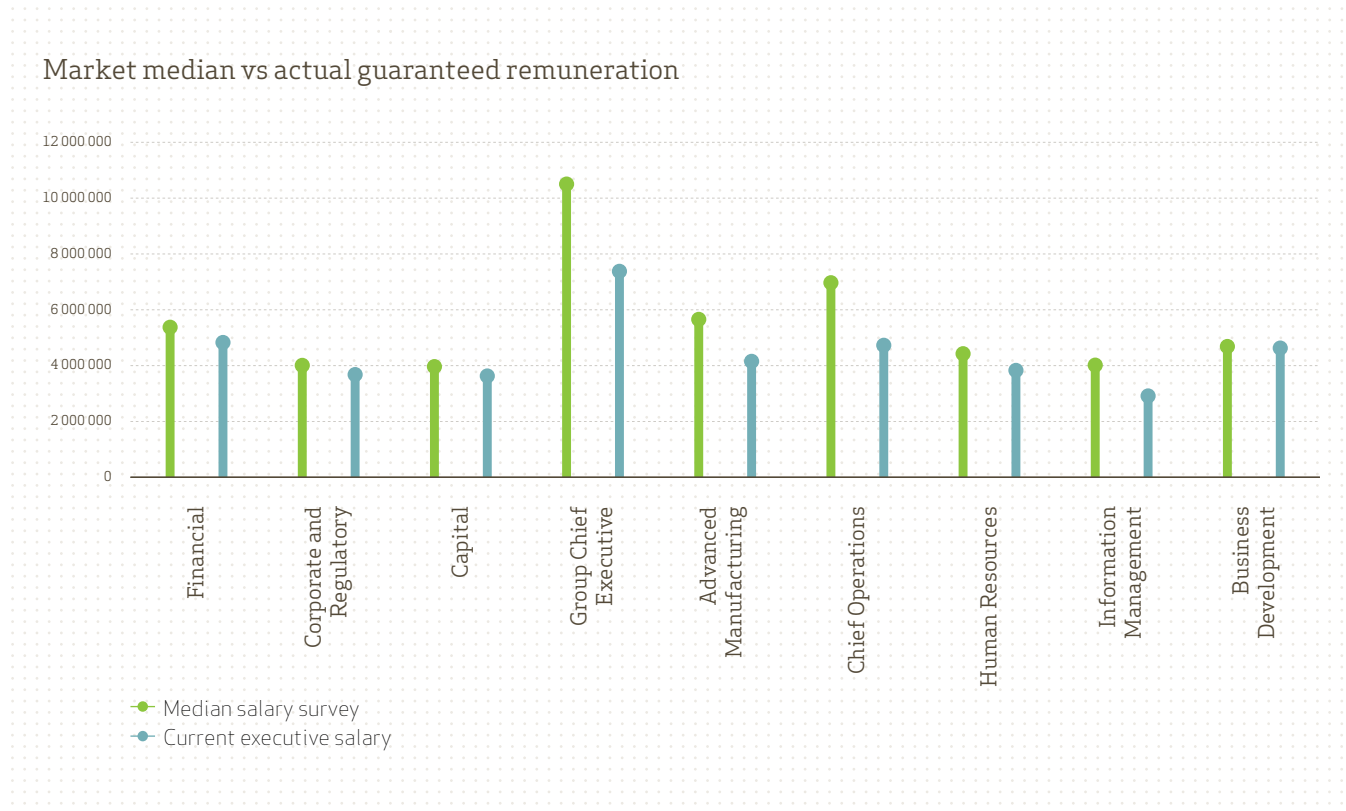
Transnet designed and implemented a new operating model during the reporting period with significant changes to the top leadership. The previous Executive Committee was restructured and reduced from 20 members to the newly constituted GLT consisting of nine members.

Transnet strives to remunerate the members of its executive teams at the market median. Annual guaranteed pay increases for the members of the Transnet executive teams are largely informed by market benchmarks.

Transnet annually conducts an executive remuneration benchmark exercise to compare the remuneration of the executive teams with the external market. Transnet utilises the Deloitte “SA Guide to Executive Remuneration and Reward”, a national remuneration survey published annually by Deloitte Consulting.

In addition to the annual increases for the Group Executive members, a remuneration adjustment was effected for specific members of the GLT whose remuneration was substantially below the comparable market.

The graph below depicts the actual guaranteed remuneration of the GLT against the market median:



The graph above indicates that the remuneration of the GLT is lagging the market median. Transnet is following a phased approach to ensure that the guaranteed remuneration over a period of time is aligned with the market median.

The table below depicts the guaranteed pay of the Transnet Group Leadership Team for the 2017 financial year:

	Salary	Post-retirement benefit fund contributions	Other payments	Total 2017	Total 2016
	R '000	R '000	R '000	R '000	R '000
B Molefe ⁴	-	-	-	-	1 461
SI Gama ¹	6 792	654	2	7 448	7 249
M Gregg-Macdonald ²	411	40	-	451	3 389
T Morwe ⁴	-	-	-	-	2 804
KC Phihlela ^{2,5}	459	33	-	492	3 723
A Singh ⁴	-	-	-	-	2 254
KXT Socikwa ^{2,5}	512	47	-	559	4 253
R Vallihu ^{2,5}	530	42	-	572	4 330
EAN Sishi	3 651	352	2	4 005	3 308
DC Moephuli	3 530	345	2	3 877	3 193
S Chetty ^{2,5}	339	29	-	368	2 662
RE Lepule ^{2,5}	411	40	-	451	3 353
MA Sukati ^{2,5}	390	33	-	423	3 120
MA Matookane ⁴	-	-	-	-	1 897
ZE Lebelo ^{2,5}	341	26	-	367	2 720
LMH Msagala ^{2,5}	346	34	-	380	2 889
N Silinga ^{2,5}	362	30	-	392	2 846
GJ Pita ¹	4 593	421	1	5 015	3 070
T Jiyane	4 030	392	2	4 424	3 783
R Nair ^{2,5}	539	38	-	577	3 950
GJE de Beer ³	2 952	314	1	3 267	-
KV Reddy ³	3 094	323	2	3 419	-
MMA Mosidi ³	2 476	176	1	2 653	-
MM Buthelezi ³	4 031	336	2	4 369	-
	39 789	3 705	15	43 509	66 254

¹ GLT members who are members of the Board of Directors.

² Previous members of the Executive Committee, but no longer members of the GLT (previously Executive Committee).

³ Appointed during the year.

⁴ Resigned during the previous year.

⁵ Exited from the GLT during the prior year.

Executive remuneration – variable

The members of the GLT are eligible for payments in respect of the STI Scheme provided that the strategic objectives, as agreed with the Shareholder Representative, have been achieved. Individual bonus percentages are further modified with individual performance assessment ratings.

The eligibility percentages linked to specific business performance achievement is indicated in the table below:

Employment category	Grade level	Qualifying percentage		
		Threshold	On-target	Maximum
Group Leadership Team	A	25%	50%	100%
Extended Leadership Team	B	20%	40%	80%

Short-term and long-term incentive payments

The short-term payment for the 2017 financial year was based on the actual achievement of the annual EBITDA, as well as the productivity and safety modifiers at Group and Operating Division levels.

The 2014 conditional award in respect of the Transnet long-term incentive scheme vested at the end of the 2017 financial period. The value of the long-term incentive payment is impacted by the level of achievement of specific Company and individual performance objectives.

The members of the Transnet GLT were eligible for payment in respect of the long-term incentive scheme based on the ground rules of the scheme. The payment of the vested amounts took place at the end of April 2017:

	LTI 2017 R 000	LTI 2016 R 000	STI 2017 R 000	STI 2016 R 000
B Molefe ⁴	-	6 285	-	-
SI Gama ¹	3 185	884	1 571	402
M Gregg-Macdonald ²	258	577	90	261
K Phihlela ²	293	650	94	283
A Singh ⁴	-	4 235	-	-
KXT Socikwa ²	333	704	107	312
R Vallihu ²	816	684	124	329
DC Moephuli	1 855	431	820	230
S Chetty ²	184	355	-	205
RE Lepule ²	233	309	86	246
EAN Sishi	1 911	540	861	246
MA Sukati ²	164	-	96	251
ZE Lebelo ²	126	128	76	210
LMH Msagala ²	-	312	-	212
N Silinga ²	123	285	87	227
GJ Pita ¹	1 304	369	1 120	221
T Jiyane	986	273	898	298
R Nair ²	137	-	121	147
GJE de Beer ³	-	-	670	-
KV Reddy ³	1 116	-	801	-
MMA Mosidi ³	-	-	538	-
MM Buthelezi ³	1 607	-	1 015	-
Total	14 131	17 021	9 175	4 080

¹ GLT member who is a member of the Board of Directors.

² Previous members of the Executive Committee, but no longer members of the GLT (previously Executive Committee).

³ Appointed during the year.

⁴ Resigned during the previous year.

Remuneration structure for non-executive directors

Non-executive directors are appointed by the Shareholder Representative for a three-year term. The Memorandum of Incorporation of the Company, however, requires that the non-executive directors be submitted for re-election for each of the three years at the Company's AGM.

Among the issues considered by the Shareholder Representative prior to re-election is the individual non-executive director's performance.

The Shareholder Representative approves, in advance, the fees payable to non-executive directors. The non-executive directors are paid an annual retainer, as well as an additional retainer fee for committee membership.

Fees paid to non-executive directors are differentiated based on their appointments to the various committees of the Board of Directors.

The table below depicts the actual remuneration for the Transnet non-executive directors for the financial year:

Name of Board member (Current Board of Directors)	Fees R '000	Other payments R '000	Total 2017 R '000	Total 2016 R '000
LC Mabaso (Chairperson) ⁴	1 151	129	1 280	1 103
Y Forbes ⁴	518	106	624	496
N Moola ¹	-	-	-	207
PEB Mathekga	518	-	518	496
GJ Mahlalela	518	-	518	496
ZA Nagdee	518	-	518	496
VM Nkonyne	605	-	605	579
MR Seleke ^{1,5}	-	-	-	421
S Shane ^{2,4}	605	127	732	660
BG Stagman	605	-	605	579
PG Williams ³	605	-	605	516
Total	5 643	362	6 005	6 049

¹ Resigned during the previous year.

² Director's fees paid to Integrated Capital Management (Pty) Ltd.

³ Passed away during the year.

⁴ Pension fund trustees' fees included.

⁵ Director's fees paid to Kapela Investments.

Remuneration, Social and Ethics Committee of the Transnet Board of Directors

The Transnet Board of Directors has established the Remuneration, Social and Ethics Committee to assist in discharging its responsibilities. The mandate outlining the authority delegated to it by the Board of Directors includes the purpose of the Remuneration Committee, composition, reporting responsibilities, terms of reference and the right of any member to seek and be provided with independent advice at the Company's expense if such member considers that necessary for the effective execution of his/her fiduciary duties to the Company.

The committee has an independent role, operating as an overseer and a maker of recommendations to the Board of Directors for its consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

ANNEXURE C: SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

for the year ended 31 March 2017

Subsidiaries

	Effective holding		Voting power held	
	2017 %	2016 %	2017 %	
SUBSIDIARIES HELD BY TRANSNET				
Local subsidiaries				
Transport logistics				
Viaren (Pty) Ltd ¹	-	100	-	
Property holdings				
Transhold Properties (Pty) Ltd ²	-	100	-	
Insurance captive cells				
Guardrisk Insurance Company Ltd	100	100	100	
Social responsibility				
Transnet Foundation Trust ³	100	100	100	
Foreign subsidiaries				
Transport logistics				
African Joint Air Services Ltd (Uganda) ⁴	57	57	57	
Spoornet do Brasil Ltda (Brazil) ⁵	-	-	-	

¹ Dissolved on 6 May 2016.

³ In dissolution.

⁵ Dissolved during the previous financial year.

² Deregistration.

⁴ Dormant.

Associates and joint ventures¹

Principal activity	Effective holding		Shares at cost		
	2017 %	2016 %	2017 R million	2016 R million	
ASSOCIATES					
Commercial Cold Storage (Ports) (Pty) Ltd	Storage and bondage	30	30	-	-
Comazar (Pty) Ltd ²	Transport logistics	32	32	13	13
Experience Delivery Company (Pty) Ltd	Managing agent	11	11	-	-
RainProp (Pty) Ltd	Property development and management	20	20	-	-
JOINT VENTURES					
Gabarone Container Terminal	Container terminal	36	36	6	6
				19	19

¹ Incorporated in the Republic of South Africa, unless stated otherwise.

² Dormant.

Summarised financial information of significant associates

	Commercial Cold Storage (Ports) (Pty) Ltd R million	Gabarone Container Terminal R million	RainProp (Pty) Ltd R million
Financial position			
Total assets	89	85	1 133
Total liabilities	9	1	538
Results of operations			
Revenue	10	21	49
Net profit	2	7	25

Shares at cost		Interest of holding company net profit/(loss)		Interest of holding company indebtedness		Accumulated impairment and losses	
2017 R million	2016 R million	2017 R million	2016 R million	2017 R million	2016 R million	2017 R million	2016 R million
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3	3	7	5	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6	(7)	392	398	392	398
-	-	-	(10)	-	-	-	-
3	3	13	(12)	392	398	392	398

Interest of holding company indebtedness		Accumulated impairment and losses		Share of post-acquisition reserves		Total	
2017 R million	2016 R million	2017 R million	2016 R million	2017 R million	2016 R million	2017 R million	2016 R million
1	1	-	-	23	19	24	20
8	8	21	21	-	-	-	-
-	-	-	-	-	-	-	-
1	2	-	-	106	93	107	95
-	-	-	-	18	16	24	22
10	11	21	21	147	128	155	137

ANNEXURE D: THE 17 PRINCIPLES OF KING IV

Principle 1	The governing body should lead ethically and effectively.
Principle 2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.
Principle 3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.
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.
Principle 5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.
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.
Principle 8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.
Principle 9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
Principle 10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.
Principle 11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.
Principle 12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
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.
Principle 14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
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.
Principle 16	In the execution of its governance role 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.
Principle 17	The Board of Directors should ensure that responsible investment is practised by the fund to promote good governance and the creation of value by the companies in which it invests.

ANNEXURE E: GLOBAL REPORTING INITIATIVE TABLE

General standard disclosures	Reference 2017 Sustainability Report	Page	Reference 2017 Integrated Report	Page
Strategy and analysis				
G4-1 Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Message from the Board of Directors, and Message from the Group Chief Executive.	10,12	About this report - Integrating sustainability reporting in the 2017 Integrated Report (jointly approved by Transnet Chairperson, Group Chief Executive and Chief Financial Officer). Leadership perspective - Sustainable Developmental Outcomes (jointly provided by Transnet Chairperson, Group Chief Executive and Chief Financial Officer).	2 8
G4-2 Description of key impacts, risks and opportunities.			Materiality Universe (Figure 13). Aligning material aspects to risks and opportunities.	62 70 - 71
Organisational profile				
G4-3 Report the name of the organisation.	Transnet SOC Ltd.		Organisational overview.	12
G4-4 Report the primary brands, products and services.	About Transnet - Who we are, and Our services.		Organisational overview.	12
G4-5 Report the location of the organisation's headquarters.	Johannesburg, South Africa.		Organisational overview.	12
G4-6 Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About Transnet - Where we operate and what we do.		Organisational overview.	12
G4-7 Report the nature of ownership and legal form.	About Transnet - Who we are.		Organisational overview: Strategic context, Regulatory context and Financial context.	12
G4-8 Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	About Transnet - Who we are; Where we operate and what we do; and Our services.		Organisational overview: Where we operate.	14
G4-9 Report the scale of organisation, including: • Total number of employees; • Total number of operations; • Net revenues (for public-sector organisations); and • Quantity of products or services provided.	About Transnet - Who we are; Where we operate and what we do; and Our services.		Organisational overview: Employee profile. Organisational overview: Operating context and Where we operate. Organisational overview: Operating context. Organisational overview: Transnet's services and service sectors.	12 12 - 16 12 - 16 12 - 16
G4-10 Workforce			Organisational overview: Employee profile.	12
G4-11 Percentage of employees covered by collective bargaining agreements.			% of employees represented by collective bargaining as a % of total headcount= 89,8%. % of permanent employees represented by collective bargaining as a % of total headcount= 75,3%.	12 12
G4-12 Supply chain.			Organisational overview: Transnet's supply chain.	13

General standard disclosures	Reference 2017 Sustainability Report	Page	Reference 2017 Integrated Report	Page
G4-13 Report any significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain.	Reporting approach - About this report.	2	About this report.	2
G4-14 Report whether and how the precautionary approach or principle is addressed by the organisation.	Transnet supports the precautionary approach to environmental challenges, as espoused in Principle 16 of the Rio Declaration, 1992 - Environmental Stewardship.	68 - 77	About this report: Statement of Precautionary Approach.	7
G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Reporting approach - About this report.	2	About this report: Reporting frameworks and guidelines.	2 - 3
G4-16 List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: <ul style="list-style-type: none"> • Holds a position on governance body; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; and • Views memberships as strategic. 	UNGC (represented on the UNGC's Local Network Advisory Committee); National Business Initiative; Energy Intensive Users Group; Energy Efficiency Leadership Network; Industry Task Team on Climate Change; and the National Biodiversity and Business Network.	2	Organisational overview: Memberships of Associations (partial).	16
Identified material aspects and boundaries				
G4-17 (a) List all entities included in the organisation's consolidated financial statements or equivalent documents. (b) Report whether any entity included in the organisation's consolidated financial statements or equivalent document is not covered by the report.	Transnet SOC Ltd denotes the five Operating Divisions and three Specialist Units. For a list of all entities included in the organisation's financial statements refer to the AFS for the year ending 31 March 2016.	18 - 23	About this report: Reporting boundary.	2
G4-18 (a) Explain the process for defining the report content and the aspect boundaries. (b) Explain how the organisation has implemented the reporting principles for defining report content.	Material issues - Material issues determination.	18 - 23	Material aspects.	58
G4-19 List all the material aspects identified in the process for defining report content.	Material issues - Material issues determination.	18 - 23	Material aspects: Materiality universe (Figure 13).	62
G4-20 For each material aspect, report the boundary within the organisation as follows: <ul style="list-style-type: none"> • Report whether the aspect is material within the organisation. 	Material issues - Material issues determination.	18 - 23	Material aspects: Materiality universe (Figure 13) - 'derived view' shows how internal and external stakeholder groups served as source of identification of material aspects and, hence, how they are impacted by material aspects.	62
G4-21 For each material aspect - boundary outside the organisation.	Material issues - Material issues determination.	18 - 23	Material aspects: Materiality universe (Figure 13) - 'derived view' shows how internal and external stakeholder groups served as source of identification of material aspects and, hence, how they are impacted by material aspects.	62
G4-22 Report the effect of any restatements of information provided in the previous reports, and the reasons for such statements.	Reporting approach - About this report.	2	About this report: Reporting boundary.	2

General standard disclosures	Reference 2017 Sustainability Report	Page	Reference 2017 Integrated Report	Page
G4-23 Report significant changes from previous reporting periods in the scope and aspect boundaries.	Reporting approach – About this report.	2	About this report: Reporting boundary.	2
Stakeholder engagement				
G4-24 Provide a list of stakeholder groups engaged by the organisation.	Material issues – Material issues determination, stakeholder engagement.	20	Material aspects. Material aspects: Materiality universe (Figure 13).	58 62
G4-25 Report the basis for identification and selection of stakeholders with whom to engage.	Enablers of Sustainable Developmental Outcomes – stakeholder engagement.	26	Material aspects: Engaging our stakeholders. Ethical stakeholder relationships.	50 50 – 54
G4-26 Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Enablers of Sustainable Developmental Outcomes – stakeholder engagement.	26	Material aspects: Engaging our stakeholders. Ethical stakeholder relationships. Governance of stakeholder relationships.	50 – 54 50 – 54 132
G4-27 Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Transnet's material sustainability issues 2017 table, and Sustainability Performance Overview.	20, 30 – 77	Key issues/concerns arising from our 2017 stakeholder engagement process.	55 – 56
Report profile				
G4-28 Reporting period (such as fiscal or calendar year) of information provided.	1 April 2016 – 31 March 2017.	2	Reporting boundary.	2
G4-29 Date of most recent, previous report.	31 March 2016.	2	Reporting boundary.	2
G4-30 Reporting cycle (such as annual, biannual).	Annual.	2	Reporting boundary.	2
G4-31 Provide the contact point for questions regarding the report or its contents.	General Manager: Public Policy and Sustainability, Sue.Lund@transnet.net.		Navigating this report Senior Manager: Group Reporting – Kilford.gondo@transnet.net.	0 – 1
G4-32 (a) Report the 'in accordance' option the organisation has chosen. (b) Report the GRI Content Index for the chosen option. (c) Report the reference to the External Assurance Report.	Reporting approach – About this report and Assurance.	2	About this report: Board Responsibility and Approval Statement.	7
G4-33 (a) Report the organisation's policy and current practice with regard to seeking external assurance for the report. (b) If not included in the Assurance Report accompanying the Sustainability Report, report the scope and basis of any external assurance provided. (c) Report the relationship between the organisation and assurance. (d) Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's Sustainability Report.	Reporting approach – Assurance; and Appendix A: External Assurance Statement.	2	Integrated approach to assurance. Integrating sustainability reporting in the 2017 Integrated Report.	5 6

General standard disclosures	Reference 2017 Sustainability Report	Page	Reference 2017 Integrated Report	Page
Governance				
G4-34 Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Enablers of Sustainable Developmental Outcomes – Governance.	24	Abridged governance.	109
G4-35 Process for delegating authority for sustainability topics.		24	Our Control environment: Governance of sustainability.	133
G4-36 Executive level position for sustainability topics.		24	Our Control environment: Governance of sustainability. Abridged governance: Ethical leadership and corporate citizenship.	133 108, 110, 133
G4-37 Process for consultation between stakeholder and Board of Directors on sustainability topics.			Engaging stakeholders and measuring our performance.	50 – 56
G4-38 Composition of highest governance body (Board of Directors) and committees.			Abridged governance.	109
G4-39 Is Chair also CEO?			Abridged governance: Chairperson and Group Chief Executive. The Chairperson, Ms Linda Mabaso, is an independent non-executive director.	109
G4-40 Nominations and selection process for Board of Directors and its committees.			The Corporate Governance and Nominations Committee sets criteria for the nomination of directors to be recommended to the Board of Directors for appointment to the committees of the Board of Directors, other than the Audit Committee. Non-executive directors are appointed by the Shareholder Representative for a three-year term. Board of Directors' composition and directors' balance of strengths.	109, 124 and Annexure A: v Annexure A: xiv 117 and 120
G4-41 Process to avoid and manage conflict of interest.			Abridged governance: Declaration of interest.	119
G4-42 Board of Directors' role in development, approval and updating of the organisation's purpose, value or mission statement, strategies, policies and goals related to sustainability impacts.			Abridged governance: Ethical leadership and corporate citizenship.	108, 110, 133
G4-43 Measures to develop and enhance the Board of Directors' knowledge on sustainability topics.			Abridged governance: Directors' induction and continuous development.	116
G4-44 Process for evaluation of Board of Directors' performance with regard to governance of sustainability topics, and actions taken.			Abridged governance: Independent performance evaluation of the Board of Directors, its committees and directors.	116
G4-45 Board of Directors' role in identification and management of sustainability impacts, risks and opportunities, and stakeholder consultation in the process.			Abridged governance: Ethical leadership and corporate citizenship – The Board of Directors delegates the leadership, oversight and accountability for ethics performance and sustainability-related matters to the Remuneration, Ethics and Social Committee, which advises the Board of Directors on issues pertaining to responsible corporate citizenship and sustainability. Abridged governance: Governance of sustainability.	116 and 125 133

General standard disclosures	Reference 2017 Sustainability Report	Page	Reference 2017 Integrated Report	Page
G4-46 Board's role in reviewing effectiveness of risk management processes for sustainability topics.			Opportunities and risks. Abridged governance: Our approach to enterprise risk management.	68 131
G4-47 Frequency of Board of Directors' review of sustainability impacts, risks and opportunities.			Abridged governance: Risk Committee. Annexure A: Directors' attendance at Board of Directors' and committee meetings - Risk Committee.	125 Annexure A: i
G4-48 Highest committee or position that formally approves the Sustainability Report.		24	Integrated sustainability reporting in the 2017 Integrated Report. Abridged governance: Governance of sustainability.	6 133
G4-49 Process for communicating critical concerns to the Board of Directors.			Abridged governance: Ethical leadership and corporate citizenship. Abridged governance: Governance of sustainability.	108 and 110 133
G4-50 Nature and number of critical concerns that were communicated to the Board of Directors, and mechanisms used to address/resolve them.			Annexure A: Directors' attendance at Board of Directors' and committee meetings.	Annexure A: i
G4-51 Remuneration policies for Board of Directors and Senior Executives.			Abridged governance: Directors' remuneration. Annexure B: Annual Remuneration Report.	128 Annexure B: viii
G4-52 Process for determining remuneration.			Annexure B: Annual Remuneration Report.	Annexure B: viii
G4-53 How are stakeholders' views sought and taken into account regarding remuneration.			Not reported.	
G4-54 Ratio of annual total compensation for highest-paid individual to the median annual total compensation for all employees.			Annexure B: Annual Remuneration Report.	Annexure B: viii
G4-55 Ratio of percentage increase in annual total compensation for highest-paid individual to the median percentage increase for all employees.			Annexure B: Annual Remuneration Report.	Annexure B: viii
Ethics and integrity				
G4-56 Describe the organisation's values, principles, standards and norms of behaviour, such as codes of conduct and codes of ethics.	Enablers of Sustainable Developmental Outcomes - Ethics.	19 - 21	Our mission, vision and values. Our culture roadmap. Creating value through Transnet's governance structure.	12 13 107
G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behaviour.	Not reported.		Core responsibilities of the Board of Directors. Group Company Secretariat function.	118 119
G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour.	Enablers of Sustainable Developmental Outcomes - Ethics.	19 - 21	Abridged governance: Ethics and fraud management.	132
Disclosure on management approach				
G4-DMA For each identified material aspect: Why is it material and how is it managed?			Material aspects impacting our strategy.	58 - 63