



TRANSNET BOARD APPROVES AMENDMENT OF POLICY TO ALLOW PREFERENTIAL PROCUREMENT TO CONTINUE

[Johannesburg, 31 March 2022] Pursuant to section 217(2) of the Constitution, the Transnet SOC Ltd (Transnet) Board of Directors has approved an addendum to the company's Supply Chain Management (SCM) Policy – effective 25 March 2022 - to allow Transnet to include specific provisions for preferential procurement in its procurement processes.

The Board of Directors resolved to continue applying the 80/20 and 90/10 preference point system provided for in section 2(1) of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) – in order to promote preferential procurement in its processes, demonstrating the company's continued commitment to transformation and empowerment.

The Board has determined monetary thresholds for the application of the 80/20 and 90/10 preference point systems that will continue to provide certainty to bidders and Transnet's procurement processes until new Preferential Procurement Regulations are promulgated or the Constitutional Court judgment is clarified.

This approach aligns with the Constitutional Court ruling that the policies of organs of state should take charge of driving transformation and preference in procurement to give effect to section 217(2) of the Constitution.

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