



UPDATE ON WAGE NEGOTIATIONS WITH LABOUR UNIONS

[Johannesburg, 23 April 2021] Wage negotiations between Transnet SOC Ltd ("Transnet") and the recognised labour unions have reached a deadlock, after no agreement was reached in the second round of talks.

The negotiations took place with the South African Transport and Allied Union (SATAWU) and the United National Transport Union (UNTU) on behalf of the bargaining unit employees, under the Transnet Bargaining Council.

The difficult economic climate and the resultant decline in the operational and financial performance of the company means Transnet is not in a position to accede to the demands made by the unions in the Bargaining Council. In the current context, Transnet believes its offer is reasonable and realistic.

It is important to note that for the nine months to December 2020, Transnet reported a decline in volumes transported, resulting in lower revenues – primarily as a result of the economic downturn.

The company's priority focus is to ensure improvements in operational and financial performance, in order to get the company back on a positive growth path, and to sustain jobs.

The next step is for the Transnet Bargaining Council to schedule a conciliation process in terms of the Labour Relations Act.

Transnet will continue to address this matter in the best interests of the company, its shareholder, employees, customers and the economy.

Any further updates will be provided in due course.

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