

ANNEXURE "RG 19"

28 March 2017

Mr Ndiphile Silinga

TRANSNET SOC Ltd
Group Executive: Legal & Compliance
45th Floor, Room 4518
Carlton Centre
150 Commissioner Street
Johannesburg 2001

Dear Sir

CNR ROLLING STOCK SOUTH AFRICA (PTY) LTD ("CNRRSSA" or "the Company")

Your email dated 2 March 2017 and the CNRRSSA letter dated 21 February 2017 (attached to your email) refer.

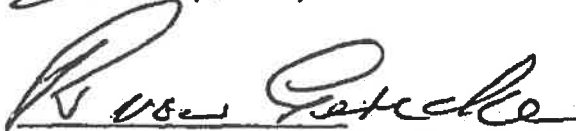
We thank you for reaching out to us in order to clarify what the CNRRSSA letter may mean in respect of the BEX issue we raised with the executives of Transnet on 13 September 2016. At said meeting we raised two items we wished to discuss with Transnet management.

The first issue related to the relationship and co-operation between CNR, as the major shareholder in the Company, and the minority shareholders in the Company. We are pleased to be able to report to you that significant progress has been made by all parties to ensure that the parties obtain a better understanding of the needs of the respective shareholders and their representatives on the board of the Company, from a corporate governance and stakeholder interest perspective. The aim of the letter was to convey this message to Transnet. The second issue related to the BEX issue and the impact on the minority directors. An original draft of the abovementioned CNRRSSA letter made reference to the BEX issue but this was removed by Mr. Xate as the minority directors and the minority shareholders have deliberately not engaged with CNR on this issue, given that Transnet is undergoing its investigation. We therefore respectfully encourage you to continue along this road until a satisfactory outcome is reached and will continue to co-operate fully with you in this respect.

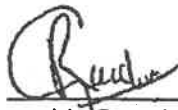
Yours faithfully



Lulamile Xate – personally and on behalf of Endinamix



Rowlen von Gericke – on behalf of Global



Robbie Gonsalves – personally and on behalf of Cadiz