

**Assurance overview**

Content	Assurance providers	Outcome	Framework/standard
Annual financial statements.	<ul style="list-style-type: none"> <li>External audit – SizweNtsalubaGobodo Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Unmodified audit opinion.</li> </ul>	<ul style="list-style-type: none"> <li>IFRS.</li> <li>Companies Act.</li> <li>PFMA.</li> <li>International Standards on Auditing (ISA).</li> </ul>
Review of internal controls and risk management.	<ul style="list-style-type: none"> <li>Transnet Internal Audit.</li> <li>National Occupational Safety Association (NOSA).</li> <li>International Standards Organisation (ISO) accreditation bodies.</li> <li>Legal firms.</li> <li>External audit.</li> </ul>	<ul style="list-style-type: none"> <li>Financial controls: satisfactory rating.</li> <li>Operational controls: requires improvement.</li> <li>Legislative assessment: satisfactory rating.</li> <li>Functional risk management: requires improvement rating.</li> </ul>	<ul style="list-style-type: none"> <li>PFMA.</li> <li>NOSA standards.</li> <li>ISO standards relating to safety and environment including ISO 9 000 and 14 000.</li> <li>Legislative requirements.</li> <li>ERM and compliance standards including Risk Management and Compliance Institute of South Africa guidelines.</li> <li>Committee of Sponsoring Organisations of the Treadway Commission (COSO).</li> <li>Control Objectives for Information and Related Technology (COBIT).</li> </ul>
Broad-based black economic empowerment (B-BBEE) contributor level.	<ul style="list-style-type: none"> <li>Transnet Internal Audit.</li> <li>Beever Agency CC.</li> </ul>	<ul style="list-style-type: none"> <li>Verified Level 3.</li> </ul>	<ul style="list-style-type: none"> <li>B-BBEE Act and Charters:                             <ul style="list-style-type: none"> <li>Generic Transport Public Sector Charter.</li> <li>Rail Charter.</li> <li>Maritime Charter.</li> <li>Property Charter.</li> </ul> </li> </ul>
Corporate governance.	<ul style="list-style-type: none"> <li>Transnet Internal Audit.</li> </ul>	<ul style="list-style-type: none"> <li>Maturity assessment: established.</li> <li>Assessment of controls: satisfactory rating.</li> </ul>	<ul style="list-style-type: none"> <li>King III.</li> <li>PFMA.</li> <li>Companies Act.</li> </ul>

The Company has not commissioned additional external assurance of the non-financial information provided in the IR 2013 and SR 2013. The responsibility for review and approval of the IR 2013 and AFS 2013 resides with the Board Audit Committee. Responsibility for the SR 2013 resides with the Board Remuneration, Social and Ethics Committee. These Board sub-committees recommended the reports to the Board and the reports were approved by the Board. The combined assurance approach, including consideration of additional independent assurance, is being further developed for all aspects of the reports.

**Condolences**

The Board deeply regrets the loss of nine employees’ lives in the course of the year: five to motor vehicle accidents, three to violent criminal acts and one to a health condition. The sincere condolences of the Company go to their families, colleagues and friends. Every effort continues to be made to bolster safety, security and wellness in Transnet.

The Board also conveys its deepest condolences to the families and friends of 125 members of the public who lost their lives on Transnet property. The largest single contributor to these tragedies occurred in Hectorspruit on 13 July 2012, when a truck carrying 48 farmworkers collided with a goods train. Notwithstanding increased public awareness and proactive training campaigns, level crossing accidents accounted for 23,0% of the public fatalities, with the balance due mainly to people trespassing onto operating railway lines. Management is proactively seeking solutions to reduce the number of level crossing incidents.

## Appreciation

The Board would like to express its appreciation to the Minister of Public Enterprises, Mr Malusi Gigaba, the Minister of Transport, Mr Ben Martins and their respective deputy Ministers, the Director-General of the Department of Public Enterprises, Mr Tshediso Matona, the various officials under the leadership of the Director-General, and the Chairperson of the Portfolio Committee on Public Enterprises, Mr Peter Maluleke, for their strategic direction and oversight in the year under review. Thanks also go to the industry and economic regulators for their oversight responsibilities. Special thanks go to the members of the Executive and Extended Executive, employees and labour union partners who, together, drive Company performance. Transnet's investors, bond holders and financiers are acknowledged for the continued confidence shown in the strategy and management of the Company. The gratitude of the Company as a whole goes to the communities in which Transnet operates and to the customers and suppliers who work with Transnet staff every day to ensure that the rail, ports and pipelines deliver the quality of service needed to support the growth prospects of the South African economy.

## Approval of the Integrated Report

The Board acknowledges its responsibility to ensure the integrity of the IR 2013. The Board confirms that it has collectively reviewed the contents and that the IR 2013 addresses the material issues and provides a fair representation of the performance and prospects of the Company.

The IR 2013 was approved by the Board and signed on its behalf by:



**Mafika Mkwanazi**

Chairperson

29 May 2013

Johannesburg

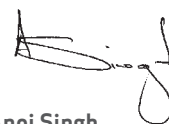


**Brian Molefe**

Group Chief Executive

29 May 2013

Johannesburg



**Anoj Singh**

Group Chief Financial Officer

29 May 2013

Johannesburg