

**Establishment of a rolling stock leasing company: RFQ clarification 1 questions**

No	Date Received	Question mode	Question	Answer/Response
1	19-May-25	Email	Please provide the presentations made at the clarification session.	Transnet will share the presentation on the tender platform.
2	19-May-25	Email	Please provide a schedule of assets indicating the age, number of kilometers travelled and the latest condition assessments.	The schedule of assests and details thereof will be provided to the shortlisted bidders during the RFP stage.
3	19-May-25	Email	Are these any of the Chinese Locomotives and will this be impacted by the impasse?	No there are no Chinese assets in the LeaseCo.
4	19-May-25	Email	You mention 50% of the fleet will be already taken up, please provide the tenure of these leases.	This information will be provided to the shortlisted bidders.
5	19-May-25	Email	You mention that the leases will be ceded to Leaseco, will the terms and conditons be the same or better?	The terms and conditions of the ceded lease agreements will be same. The existing leases are an asset and equity contribution from Transnet to be transferred to LeaseCo as is with their terms and conditions for the remaining tenure of the ceded leases, without adversely affecting the rights of the Lessees. LeaseCo may however, as a predecessor, negotiate with the Lessees on any proposed amendments that may be required.
6	19-May-25	Email	Are bidders compelled to use Transnet Engineering for Return-to-service and maintenance?	Transnet's contribution to the transaction is the rolling stock and Transet Engineering (TE). TE has the largest capacity in terms of facilities, geographic spread, technical skills and personnel to service the LeaseCo. TE is also the OEM of most of the assets that Transnet will be contributing. The LeaseCo will therefore be compelled to use TE.

7	19-May-25	Email	<p>Please confirm the following in terms of staging</p> <ul style="list-style-type: none"> <li>• Where the ~300 km of track for staging will be located?</li> <li>• Who owns it and will it be leased at market rates or provided free/cheaper rates?</li> <li>• For what duration will this access be given?</li> <li>• Will this be a separate agreement with TRIM or covered under the LeaseCo</li> <li>• Can bidders select alternative staging areas if preferred?</li> </ul>	<p>Transnet is currently investigating the options for the staging of the rolling stock. This will be a combination of assets owned by TE and TRIM. We anticipate that a lease agreement will be concluded with the relevant asset owner on commercial basis. Once the LeaseCo is established, it will review the staging options and decide on what is best for the business.</p>
8	19-May-25	Email	<p>How will LeaseCos operations align with the TRIM open access framework?</p> <ul style="list-style-type: none"> <li>• Will LeaseCo be prioritized or guaranteed access slots via TRIM?</li> </ul>	<p>LeaseCo will have to abide by TRIM's rules and regulations for network access. The details regarding access are yet to be determined.</p>
9	19-May-25	Email	<p>Will Transnet's marketing team and commercial teams lead the drive to secure new customers or will a new commercial capability team have to be developed in LeaseCo..?</p> <ul style="list-style-type: none"> <li>• For the regional market (~13,000 wagons and 170 locomotives by 2030) will LeaseCo service these countries and who will drive negotiations - LeaseCo or Transnet</li> </ul>	<p>Transnet is seeking a strategic private sector partner that wil take leadership on marketing and commercial operations of LeaseCo. It is expected that private partners will bring established know-how to lead marketing efforts of LeaseCo with the full support of Transnet as a partner.</p>

10	19-May-25	Email	<p>Will bidders be expected to provide upfront equity, working capital, or debt commitments at RFP stage</p> <ul style="list-style-type: none"> <li>• How will LeaseCo raise debt, based on the % equity between Transnet and the PSP?</li> <li>• What is the equity contribution to the SPV and will there be a dividend policy?</li> </ul>	<p>In terms of how the bidders structure their financial offers, bidders will be encouraged to identify the most optimal capital structure for their offers. It is expected that LeaseCo will raise additional debt at the corporate level. During the proposal preparation stage bidders will be asked to propose a financing plan for LeaseCo to best raise capital to fund capitalization and future refurbishment.</p>
11	19-May-25	Email	<p>What are the high-level components of the Shareholders' Agreement and Service Level Agreement?</p>	<p>These will be outlined in the "Request for Proposal" which will be issued to the shortlisted bidders. The Bidders will, when submitting their offer, in response to the RFP, make proposals for any changes to the Agreements, which will be negotiated with Transnet.</p>
13	22-May-25	Tender portal	<p>SECTION 5 - REQUEST FOR QUALIFICATION –</p> <p>a. 5 (a) Mandatory Returnable Documents.</p> <p>Is the intention therefore that the Lead Member must possess both the Financial Capacity of R4Billion and 10yrs operations experience?</p>	<p>The bidder/ consortium should collectively meet the tangible net worth of R4bn. The nominated Lead Member or the party relied upon for the technical qualifications must have the minimum 10 years of experience in leasing movable assets.</p>
14	22-May-25	Tender portal	<p>SECTION 2: NOTICE TO RESPONDENTS</p> <p>a. 5 (i) states that the Lead Member should satisfy minimum financial criteria. Kindly confirm the rationale for this requirement.</p>	<p>The bidder/ consortium should collectively meet the tangible net worth of R4bn.</p>
15	22-May-25	Tender portal	<p>SECTION 5 - REQUEST FOR QUALIFICATION –</p> <p>a. 5 (a) Mandatory Returnable Documents.</p> <p>Is the 10 Year Operation Mandatory</p>	<p>Yes. The nominated Lead Member or the party relied upon for the technical qualifications must have the minimum 10 years of experience in leasing movable assets.</p>

16	22-May-25	Tender portal	<p>SECTION 2: NOTICE TO RESPONDENTS</p> <p>b. 6. B-BBEE Requirements</p> <p>Does Transnet have any mandatory requirements or restrictions at SPV level?</p>	<p>Please refer to bullet 6 (B-BBEE Requirements) under Section 2:</p> <p>“As indicated, there are no B-BBEE requirements applicable in relation to the Respondent’s Qualification Declaration and Statement of Qualification. However, Transnet intends to ensure that the LeaseCo attains and maintains an appropriate B-BBEE Contributor Status.”</p>
17	22-May-25	Tender portal	<p>SECTION 3 – RFQ SCOPE OF REQUIREMENTS</p> <p>a. Technical support to LeaseCo.</p> <p>i. Will LeaseCo be allowed to engage another service provider in cases where the Service Level Agreement with TE is not restricted?</p>	<p>This will be negotiated at the time of setting up the LeaseCo. It is, however, expected that the LeaseCo will have a number of service providers in addition to TE.</p>
18	22-May-25	Tender portal	<p>SECTION 3 – RFQ SCOPE OF REQUIREMENTS</p> <p>b. 2.6 Proposed Lease Structure:</p> <p>i. Rational for Transnet suggesting JV Agreement yet SPV will be at shareholder level</p> <p>ii. Will it be mandatory for LeaseCo to take up ALL the assets presented by Transnet?</p>	<p>i. The JV precedes the formation of the SPV and will therefore define the rules of engagement for the establishment of the SPV, which will ultimately result in the shareholder agreement.</p> <p>ii. Yes it will be, as the assets have been subjected to a feasibility study and found to be viable for leasing.</p>
19	22-May-25	Tender portal	<p>SECTION 3 – RFQ SCOPE OF REQUIREMENTS</p> <p>b. 2.6 Proposed Lease Structure:</p> <p>iv. Has the rolling stock asset valuation been done independently? At who’s cost?</p>	<p>Transnet will appoint an independent service provider to value the rolling stock assets.</p>

<b>20</b>	22-May-25	Tender portal	<p>SECTION 3 – RFQ SCOPE OF REQUIREMENTS</p> <p>b. 2.6 Proposed Lease Structure:</p> <p>iii. Is Transnet expecting payment from the External Partner for proceeds or will the locomotives, wagons and contracts be Transnet's contribution to the LeaseCo SPV?</p>	<p>The assets and contracts will be Transnet's equity contribution to the transaction. The external partner is expected to pay for the return to service costs and their equity. The external partner is expected to be the majority shareholder in the partnership.</p>
<b>21</b>	22-May-25	Tender portal	<p>SECTION 2: NOTICE TO RESPONDENTS</p> <p>b. 6. B-BBEE Requirements</p> <p>i. For purposes of transaction structuring kindly confirm the minimum BBEE compliance Contributor Level Status for Structure. Which sector code will be used to assess?</p>	<p>This will be determined at the RFP stage.</p>

22	22-May-25	Tender portal	<p>SECTION 4 – TRANSNET’S RFQ INFORMATION</p> <p>a. 4.2 Financial Capacity.</p> <p>Clarity requested on the rational for assigning a value and for the value of Tangible Net Worth of R4billion. How is the figure arrived at?</p>	<p>The tangible-net-worth threshold has been set to demonstrate that prospective Respondents have the financial strength, balance-sheet depth and ongoing access to capital commensurate with a project of this scale and risk profile.</p> <p>In establishing the figure, Transnet considered:</p> <p>Overall capital cost and risk allocation for the project – ensuring that shortlisted parties could credibly fund their expected equity share and sustain potential cost overruns or schedule delays without jeopardising delivery.</p> <p>The benchmarks from comparable infrastructure transactions – typical minimum-net-worth-to-capital-cost ratios applied by lenders, investors and procuring authorities in recent market precedents.</p> <p>Credit-worthiness and counter-party comfort – the need for a balance-sheet of sufficient size to support financing, performance security obligations and long-term operational commitments over the concession term.</p> <p>The R 4 billion level therefore acts as a screening proxy for financial robustness rather than an absolute funding obligation. Respondents may meet the requirement on a stand-alone or consolidated consortium basis (e.g., by aggregating the net worth of committed consortium members or group-company guarantees) as detailed in the RFQ</p>
----	-----------	---------------	--	--