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The Engineer

Gibela Rail Transport Consortium (RF) Propriety Limited

2 Shosholoza Avenue, Dunnottar
Ekurhuleni, 2149, South Africa

Date: 25 March 2024

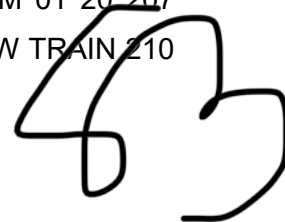
Contract Title:	Manufacture and Supply Agreement (MSA)		
Subject:	Provisional Acceptance Certificate New Trains: NEW TRAIN 203 (NT#203) – EM 01 20 203 (TS203) NEW TRAIN 205 (NT#205) – EM 01 20 205 (TS205) NEW TRAIN 206 (NT#206) – EM 01 20 206 (TS206) NEW TRAIN 207 (NT#207) – EM 01 20 207 (TS207) NEW TRAIN 208 (NT#208) – EM 01 20 208 (TS208) NEW TRAIN 210 (NT#210) – EM 01 20 210 (TS210)		
Our Reference:	PRA-GIB-MSA-0808	Your Reference:	GIB-PRA-MSA-001807 GIB-PRA-MSA-001812 GIB-PRA-MSA-001814 GIB-PRA-MSA-001815 GIB-PRA-MSA-001818 GIB-PRA-MSA-001819

The Gibela Rail Transport Consortium (RF) Propriety Limited (“**GIBELA**”/“**the Contractor**”/“**the Manufacturer**”) is referred to (i) the Manufacture and Supply Agreement between the Contractor and the Passenger Rail Agency of South Africa (“**PRASA**”/“**the Company**”/“**the Purchaser**”) dated 14 October 2013, as amended from time to time including pursuant to the First MSA Amendment Agreement dated 03 December 2015, (“**the MSA**”/“**the Agreement**”/“**the Contract**”), and (ii) Clause 7.2 (**Acceptance**) in relation to the Acceptance of NEW TRAIN 203 (NT#203) – EM 01 20 203 (TS203); NEW TRAIN 205 (NT#205) – EM 01 20 205 (TS205); NEW TRAIN 206 (NT#206) – EM 01 20 206 (TS206); NEW TRAIN 207 (NT#207) – EM 01 20 207 (TS207); NEW TRAIN 208 (NT#208) – EM 01 20 208 (TS208) and NEW TRAIN 210 (NT#210) – EM 01 20 210 (TS210) (“**the New Trains**”).

Directors (Chairperson) N. Nokwe-Macamo, Adv. S. Sethene,
L. Joel, G. Maluleke, M. Mukhuba, TN. Mpye,
Dr. R. Kgoroadira, Prof. J. Havenga,
H. Ralinala, BJ. Nobunga

Group CEO
H. Emeran

Company Secretary
L. Mthayise



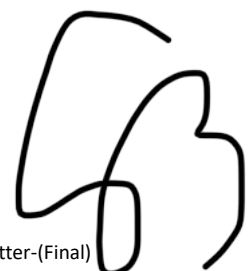
The Company records that pursuant to paragraph 7.2.1 of Clause 7.2 (Acceptance) the Contractor did not make the New Trains available for Acceptance as per the Scheduled Acceptance Date Baseline 2 for each New Train.

Pursuant to paragraphs 7.2.2.2 and 7.2.2.3 of Clause 7.2 (Acceptance) the Contractor was not entitled to obtain and the Company was not obliged to issue a Provisional Acceptance Certificate ("PAC") with respect to each New Train; the Project Manager however Accepted (acting on instruction of the Company in applying discretion) the New Trains as per the PAC enclosed under file reference "20240322-PRA-GIB-MSA-PAC (NT#203 & NT#205 & NT#206 & NT#207 & NT#208 & NT#210)-(Final)-MSB.pdf" with the respective conditions captured therein.

The Project Manager is partially satisfied that the requirements under the MSA for the issue of a PAC in relation to each New Train have been complied with. The Company will therefore hold 10% of the Contractor's chargeable price for each New Train in Retention ("**the Retention**") until the Project Manager is completely satisfied that all New Trains under this PAC meet all requirements under the MSA for the issue of a PAC in relation to each New Train has been complied with and for any other reason deemed appropriated by the Project Manager in relation to any new trains under the MSA and any other obligations of the MSA that the Contractor is required to meet.

Without limiting clause 7.9 of the MSA, issuance of the Final Acceptance Certificate ("**FAC**") for all New Trains under this Letter PRA-GIB-MSA-0808 ("**this Letter**") and the associated PAC and the release of the Retention is subject to the Contractor's complete and unambiguous compliance with the following requirements at a minimum (all to the Company's and the Project Manager's sole satisfaction and discretion):

1. The Contractor accepts all risks and liabilities (past, present and future) on all New Trains under this Letter including all Rectification Works that may be required in respect of all identified Fleet Defects/Potential Fleet Defects in line with the provisions of the MSA and the Project Manager's current and/or future instructions at a minimum (regardless of whether or not the Company has issued a notice/notification in this regard).

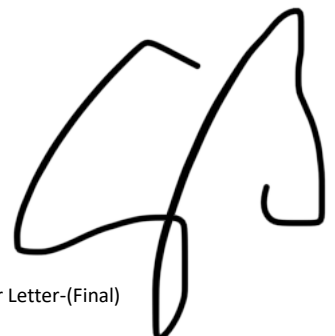
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2. The Contractor accepts that all Rectification and/or Fleet Defects/Potential Fleet Defects/Defects identified to date on all other New Trains will be Rectified in Line with Table 1 (as included in the letters GIB-PRA-MSA-001169, GIB-PRA-MSA-001170 and all other correspondence and issues raised and/or to be raised regarding Rectification and/or Fleet Defects/Potential Fleet Defects/Defects on all New Trains at a minimum and/or as otherwise instructed by the Project Manager.
3. The Contractor accepts that 10% of the Acceptance Instalment in respect of each New Train is retained by the Company in respect of each New Train affected under this Letter until Rectification Works are completed to the satisfaction of the Project Manager further that the Contractor successfully delivers all New Trains under this arrangement to the Delivery Point and to the satisfaction of the Company and the Project Manager.
4. The Contractor accepts and commits that Rectification and/or Fleet Defects/Potential Fleet Defect/Defects currently identified on other New Trains or that may be identified in future on all New Trains will be Rectified in accordance with Rectification processes and within the Rectification Periods as stipulated under the MSA or instructed by the Project Manager and without prejudice to the Company.
5. The Contractor accepts that all commercial matters (savings etc.) in relation to Rectification and/or Fleet Defects/Potential Fleet Defect/Defects on all New Trains affected under this Letter will be resolved in due course and to the satisfaction of the Company and the Project Manager.
6. The Contractor agrees and accepts that paragraph 10.2.6 (Clause 10 Warranty Regime) of the Agreement shall apply as follows:
 - In no event (including in relation to Clause 10.4.4.2 (Fleet Defects) and 10.5.6 (Potential Fleet Defects)), shall the aggregate of the Warranty Periods in respect of any New Train or Component of such New Train affected by a Defect, exceed 6 (six) years or a duration of 24 (twenty four) months of the last Warranty Period, whichever is the latest even if the 6 (six years) is exceeded, after the Provisional Acceptance of such New Train without prejudice to the Company

A handwritten signature in black ink, consisting of a stylized, cursive letter 'G' followed by a vertical line and a small loop at the bottom.

7. The Contractor shall adhere to any other instructions issued by the Project Manager in relation to any and/or all New Trains and the MSA in general.
8. The Contractor shall at a minimum and as part of the Contractor's Rectification Works, rectify and/or remedy (all at the Contractor's cost) the Contractor's Persistent Breach and Default as stipulated in all Company's Notices to the Contractor under Company letters therefore as instructed by the Project Manager in respect of Fleet Defects and Potential Fleet Defects ("**some of the Defects**") including, but not limited to, ensuring that all Defects on all New Trains are resolved to the sole satisfaction of the Company and Project Manager.
9. The Contractor shall at a minimum and as part of the Contractor's Rectification Works, rectify and/or remedy (all at the Contractor's cost) the Contractor's Persistent Breach and Default relating to the Technical Library therefore as instructed by the Project Manager in respect of the Technical Library ("the Technical Library Issue") including, but not limited to, ensuring that the Technical Library is fully functional, accessible, fit-for-purpose and to the sole satisfaction of the Company and Project Manager. In this regard, the Contractor is further instructed to revert to the Company, by no later than 30 April 2024, with a formal rectification plan as well as interim measures (including a training plan) to be adopted whilst the Technical Library is provided as required in terms of the MSA and to the sole satisfaction of the Company and Project Manager.

Pursuant to paragraph 15.5.2 (Timing and Effect of Approvals) the Contractor is reminded that any approval, consent or certificate given or issued by the Company, the Project Manager or the Project Manager's Representative in accordance with the MSA shall take effect in accordance with its terms but shall not relieve the Contractor from any liability to the Company arising out of, or connected with, the performance or non-performance of the Contractor's obligations under this Agreement including, without limitation, in respect of any Defects or compliance with the Specification, except that the issue of an approval, consent or certificate shall constitute discharge by the Contractor of its obligation to obtain such approval, consent or certificate.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Pursuant to paragraph 31.2 indulgences of Clause 31 (Miscellaneous) the Contractor is further reminded that no extension of time, indulgence, compromise or other arrangement granted or allowed by the Company shall constitute a waiver or novation of or in any way prejudice the Company's rights in terms of the Project Documents nor constitute an estoppel.

Taking cognisance of all notices issued by the Company to date, the Contractor is informed that the Company, without prejudice to the Company in any manner whatsoever, the Company reserves its rights to reverse all decisions relating to any FACs and/or PACs and/or any other Acceptance documentation issued by the Company to date and in future (including any related Contractor financial considerations and/or gains) further reserving the Company's rights to not issue any future FACs and/or PACs and/or any other Acceptance documentation (including any related Contractor financial considerations and/or gains) nor release any Retention(s) held to date and/or to be held in future for each New Train, and any new trains under the MSA, until the conditions stipulated under all Notices, and any other notices issued in terms of the MSA, are resolved to the sole satisfaction of the Company and the Project Manager at a minimum.

This Letter and the associated PAC is issued without prejudice to the Company's rights as afforded to the Company in accordance with the MSA and law and is based on information made available to the Company at the time of making the related decision(s) regarding Acceptance. The Company therefore reserves the Company's rights to reverse the decision(s) should related information, that prejudices the Company and/or negatively affects the decision(s) and the outcomes of such decision(s) to the detriment of the Company (including, but not limited to, undue financial benefit by the Contractor), come to the attention of the Company. The Company therefore reserves its rights under the MSA.

Yours faithfully



Mr. Sorin BALTAC

The Project Manager (MSA & TSSSA)

Initiated by: **Justice MAANAKA**
Nathanial REDDY

Enclosure:

20240322-PRA-GIB-MSA-PAC (NT#203 & NT#205 & NT#206 & NT#207 & NT#208 & NT#210)-(Final)-MSB.pdf

Distribution:

As per the latest issued Communications Management Policy

Acknowledgement Receipt:

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Our Reference	PRA-GIB-MSA-0808
Recipients Name	:
Recipient Signature	:
Date	:
Contact number	: