

**MINUTES OF THE MEETING BETWEEN SIYANGENA TECHNOLOGY AND PASSENGER
RAIL AGENCY OF SOUTH AFRICA (PRASA) HELD ON THE 03 NOVEMBER 2021
VIA MICROSOFT TEAMS, FROM 11H00**

| | Name | Designation |
|----------------------|------------------------|-------------------------|
| PRESENT: | Mr. Zolani Matthews | GCEO |
| | Ms. Thato Tsautse | Acting Legal Executive |
| | Mr. Mario Ferreira | Siyangena Technology |
| | Mr. Tom Duker | Siyangena Technology |
| | Mr. G VD Merwe | Siyangena Technology |
| APOLOGIES: | No apologies | |
| GCEO'S OFFICE | Ms. Nthabeleng Mokoene | Office Manager (Scribe) |

The meeting commenced at 11h00.

| ITEM | DISCUSSION |
|-------------|---|
| 1. | OPENING AND WELCOME The Chairperson welcomed all members. The Chairperson introduced Ms. Thato Tsautse. He proceeded to thank Mr. Ferreira for agreeing to a meeting at such a short notice. The meeting follows an informal discussion in Cape Town where both him and Mr Ferreira agreed to have 'without prejudice' discussion on SIYANGENA Technology matters. |
| 1.1 | APOLOGIES No apologies. |
| 2. | AGENDA ITEMS There was no formal agenda for the meeting. |
| 3. | PURPOSE OF THE MEETING a) The main issues for discussion being outstanding moneys owed to SIYANGENA Technology and the interest. This amounts to around R4.8 billion. The matter is at the Supreme Court of Appeals. SIYANGENA Technology filled their Heads of Argument on the 27th of September 2021 and PRASA requested for extension to file their Heads of Argument later before 25 November 2021. This was granted by the Supreme Court of Appeals. |



- b) The Chairperson asked Mr Ferreira whether SIYANGENA Technology is still in the same position of around R2,6 billion and possibly to conclude the remain work.
- c) Mr Ferreira indicated that the original claim was actually R4.8 billion. SIYANGENA Technology has not appealed the PRASA judgement of the contract being valid. After self-review the figure is sitting at R3.8 billion of which R2.5 billion is a contract value and the rest is interest.
- d) Mr Ferreira proposed two options to be considered by both PRASA and SIYANGENA Technology

One option as at the moment,

- I. SIYANGENA Technology is appealing the assumption of corruption.
- II. The contract between PRASA and SIYANGENA Technology included the following:
 - III. no rate of exchange
 - IV. no physical escalation on the contract for 10 years, that included on all maintenance for all the stations including the World Cup stations which were not part of phase one or phase two. It also included the self-repair even if is maliciously damaged. There was one condition that said that it should be proven that there was security when the damage occurred.
- e) Mr Ferreira mentioned that until 2016 there were more than 20 incidences of damage at PRASA stations and recording exists for this. He further mentioned that every time there was damage, SIYANGENA Technology would do repairs free of charge. PRASA was given the report of what the damage was and there was never a charge therefore no variations to the contract.
- f) At the beginning of the legal process all including the drawings was audited by external consultant and SIYANGENA Technology was found to have complied with the contract and that all the work has been done. SIYANGENA Technology carried on maintaining, replacing and fixing the equipment until June 2019.

Second option as being,

- I. SIYANGENA Technology get paid in full and walk away with the offer being R2.6 billion of settlement
- g) Mr Ferreira further put the issues into perspective that SIYANGENA Technology suffered immeasurable losses and they are not even claiming damages or losses. At the time when the legal fight started, SIYANGENA Technology turnover was R7 billion rand and over the same period billed PRASA for R3 billion PRASA which is not even 50%. The legal battle has caused an implosion of SIYANGENA Technology as a company which is now down to R250 million in turnover not to mention personal suffering by Mr Ferreira and family members in particular his son, who's bank accounts were frozen.

4. OFFER / DISCUSSIONS

Mr. Ferreira stated the offer as follows:

- a) The offer being made without prejudice is R2.6 billion and SIYANGENA Technology walks away.
- b) Alternatively, for an extra R500 million, SIYANGENA Technology will go back and fix all stations. This works out to R2,2 million per station. At today's price R2,2 million cannot buy what has been damaged on the stations.
- c) Due to technology advances, SIYANGENA Technology will put in the same functionality as was envisaged in the original contract.
- d) In this regard a systematic approach will be adopted to that what is being installed is not stolen. Security measures will also have to be put in place. e.g. for a 40km stretch from Pretoria to Hamanskraal PRASA would need about 300 personnel and arm reaction to enable to see that someone is tampering with the equipment, if security is posted every 100 metre.
- e) Mr. Ferreira suggested that PRASA facilities be declared National Key Point and the Army be used as part of the security personnel.
- f) As part of this PRASA will have to assist in clearing the name of SIYANGENA Technology in the form of a media statement.
- g) In this settlement all parties will settle their own legal costs.

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Possible alternatives - way forward

- a) It was proposed that a joint team of PRASA and SIYANGENA Technology should prepare a draft agreement that would be made an order of the court dealing with the following:
- b) That the R2.6 billion offer without prejudice be considered to close the last chapter.
- c) That the offer of R500 million on top of the R2,6 billion be considered as part of the court order.
- d) That PRASA approach Court to address the issue of self-review as it was based on wrong principles. And present whatever is true. To ask the Court to revisit the order and grant the opportunity to go back.
- e) The Chairperson will have a memo with recommendations drafted for consideration by PRASA Board of Control on the 'without prejudice' discussions.
- f) That all parties will settle their own legal costs.

5. CLOSURE

As there was no further business to discuss, the Chairperson closed the meeting at 11h38

Signed as a fair record of the proceedings at Johannesburg

MR. ZOLANI KGOSIE MATTHEWS
GROUP CHIEF EXECUTIVE OFFICER

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