

Transnet Limited
Carlton Centre
150 Commissioner Street
Johannesburg
2001

Irrevocable Advance Payment Guarantee (APG) Number: _____

Issuing Bank: _____

Amount: _____

Issue Date: _____

Expiry Date: _____

Beneficiary:

Transnet Limited
Carlton Centre
150 Commissioner Street
Johannesburg
2001

Amount of: _____

REF: Irrevocable Advance Payment Bank Guarantee No: _____

(This 'Bank Guarantee') issued pursuant to Contract No. _____ dated
_____ 2011 (as amended, novated and/or substituted from time to time) for the
supply for _____ (the 'Contract')

Gentlemen:

By order of our client, _____ (hereby known
as ('_____') and for account of same, we hereby authorise you,
Transnet Limited (hereinafter referred to as 'Beneficiary') to draw on _____
up to an aggregate amount of _____,
when accompanied by the following documents:

1. Your written demand (a 'Demand Certificate') signed by a duly authorized officer of Beneficiary stating that:

'A milestone payment in the amount of _____,
(('Guaranteed Amount') was paid to _____.
A contract default under (and as defined in) Contract (No. _____)
dated _____ (as amended, novated and/or substituted from time to time)
for the supply of _____ (the "Contract'), has
occurred and has not been remedied per the advance payment Guarantee (No. _____)
and dated (_____) and instruct you to forthwith transfer an
amount equal to the Guaranteed amount to _____.

2. A copy of your written notice sent via Express mail courier to _____ in accordance with the Contract.
3. A copy of the courier receipt as mentioned in item (2). This credit shall become effective when _____ has received in its bank account (No. _____ with _____ bank) the guaranteed amount from the Beneficiary and upon receipt of an authenticated swift from Beneficiary's Bank mentioning this bank guarantee No. _____ and SCB NY standby letter of Credit Number _____ and indicating details of the payment made to _____. This Bank Guarantee shall from time to time be reduced upon our receipt of Certification from _____, purportedly signed by an authorised representative of _____, stating that:

'We confirm that _____ has occurred under contract (No. _____), dated _____ (as amended, novated and/or substituted from time to time) for the supply of _____ and accordingly request that the Guaranteed amount under (and as defined in) the Advanced Payment, Guarantee (No. _____) be reduced by _____, effective _____ 2011.

The above certification must be countersigned by an officer of Beneficiary. This Bank Guarantee will automatically expire on the earliest of the following dates) the 'Expiry Date':

- (i) The date that the amount of this Bank Guarantee is reduced to Zero.
- (ii) The date this Bank Guarantee is returned for cancellation.
- (iii) _____

Except for the extent of any valid demand hereunder prior to such date, in which case this Bank Guarantee, only with respect to that demand, shall expire on the date of satisfaction of such demand. We will honour, at sight, drawings under this Bank Guarantee upon receipt of a demand certificate and the other documents specified herein (without the need for presentation of this Bank Guarantee) presented by Beneficiary at our office at _____, not later than the Expiry Date. The amount of any demand made hereunder must be endorsed on this bank Guarantee and marked 'drawn under Standard Chartered Bank South Africa, Guarantee (No. _____), and indicate the date drawn. We will make payment to the account specified in the demand certificate for value no later than close of business five (5) banking days following receipt of the demand certificate.

If any drawing hereunder does not confirm with these terms, we will promptly notify the Beneficiary thereof, state the reason(s) why and hold the document(s) presented at Beneficiary's disposal (or return them to Beneficiary if so requested). All Bank charges including, but not by way of limitations, fees or commissions, shall be for applicant's account.

This Guarantee is issued subject to the uniform customs and practice for documentary credit (2007 revision) (UCP600), and as to matters not covered by UCP600, same to be construed and Governed by the Laws of South Africa. Notwithstanding article 36 of the UCP600, if this letter of credit expires during an interruption for our business as described in article 36 of said UCP600, the Bank hereby specifically agrees to effect payment if this Guarantee is drawn against within thirty (30) days after the resumption of our business.

For and behalf of: _____

Authorised Signatory

Authorised Signatory