

COR01-A: PART 1: V01R180225

QSE AND GENERIC VERIFICATION INFORMATION PACK

Transformex Contact Information

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1. TRANSFORMEX B-BBEE VERIFICATION SERVICES

Transformex provides the following services

- ❖ Training and development (understanding the B-BBEE Codes and exactly what is required of your company's Pre-Verification support)
- ❖ Access to an analyst who will help you identify, collate and analyze your B-BBEE compliance documentation uncomplicated B-BBEE verification service in:
 - QSE or Qualifying Small Enterprise Verifications
 - Generic Verifications
 - Gazetted sector codes
 - B-BBEE Advisory

A Transformex B-BBEE Scorecard is an independent verification or audit of a company's B-BBEE credential. The company will receive a detailed report of its B-BBEE credential in addition to a certificate of B-BBEE compliance. The audit is based on the methodology and principles contained in the Codes of Good Practice on B-BBEE released by the Department of Trade and Industry on 9 February 2007 **or Gazette 36928 released on 11 October 2013 and Gazette 42496 released May 2019.**

2. GENERAL INFORMATION ON B-BBEE

Black Economic Empowerment Legislation and a company's compliance thereto is fast becoming a critical factor in the decision-making process of many if not all companies operating in South Africa when choosing the right supplier.

A company's B-BBEE credentials are measured using the B-BBEE Scorecard Framework. The scorecard measures the empowerment contributions of companies using seven measurable factors which include:

OLD CODES	NEW CODES
• B-BBEE Ownership • B-BBEE Management • Employment Equity • Skills Development • Preferential Procurement • Enterprise Development • Socio-Economic Development	• B-BBEE Ownership • Management Control • Skills Development • Enterprise & Supplier Development • Socio-Economic Development

The latest B-BBEE framework separates companies of different sizes into different B-BBEE scorecards.

Company Size	Turnover	Scorecard	Compliance
Large (Generic)	R50m	Generic	5 Elements
Qualifying Small Enterprises (QSE)	> R10m < R50m	QSE	5 elements

The New Supplier Recognition Levels		
B-BBEE STATUS	NEW QUALIFICATION	B-BBEE RECOGNITION LEVEL
Level One Contributor	≥ 100	135%
Level Two Contributor	$\geq 95 < 100$	125%
Level Three Contributor	$\geq 90 < 95$	110%
Level Four Contributor	$\geq 80 < 90$	100%
Level Five Contributor	$\geq 75 < 80$	80%
Level Six Contributor	$\geq 70 < 75$	60%
Level Seven Contributor	$\geq 55 < 70$	50%
Level Eight Contributor	$\geq 40 < 55$	10%
Non-Compliant Contributor	≤ 40	0%

QSE and Generic Companies must comply with the QSE and Generic B-BBEE scorecards, respectively. An abridged version of these scorecards is indicated below.

EME's = > 51% BLACK OWNERSHIP = LEVEL 2, EME WITH 100% = LEVEL 1

QSE > = 51% BLACK OWNERSHIP = LEVEL 2, QSE 100% = LEVEL 1

The above companies have an automatic qualification and no B-BBEE Certificate is required

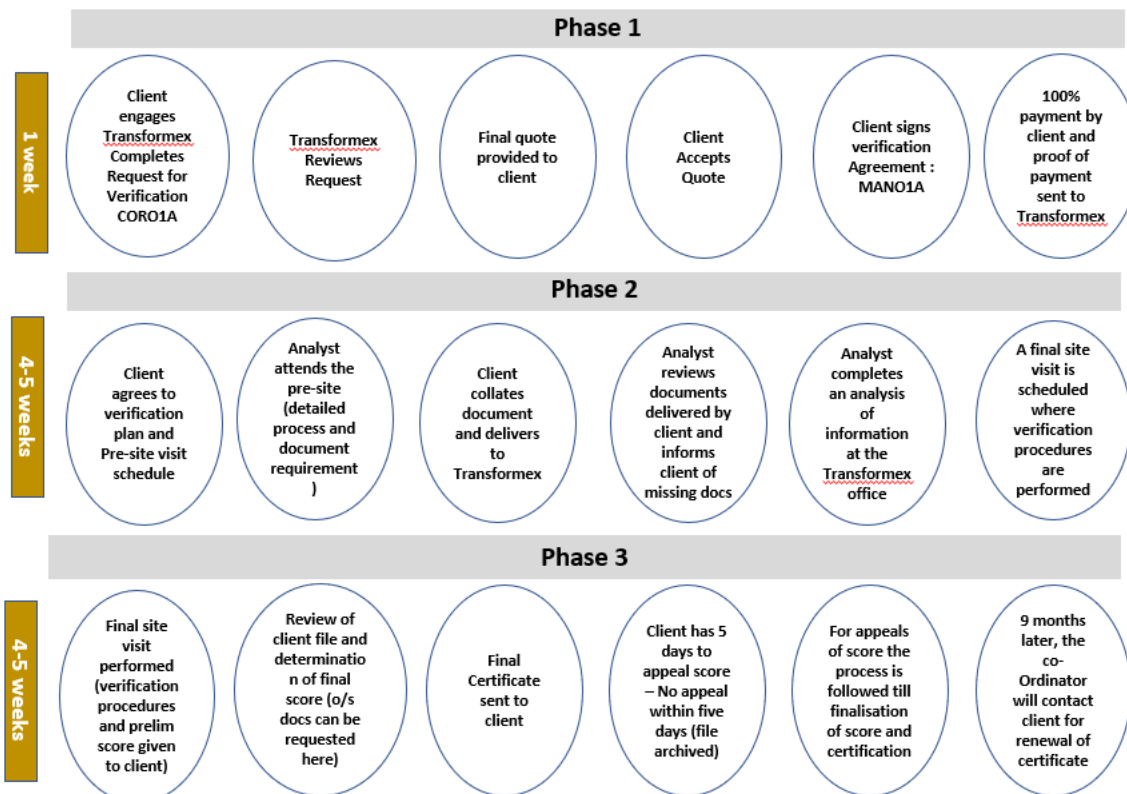
Overall Scorecard

Element	Generic Code Series	Generic Weightings	QSE Code Series	QSE Weightings
Ownership	100	25	601	25
Management Control	200	19	602	15
Skills Development	300	25	603	25
BONUS POINTS		5		5
Enterprise and Supplier Development	400		604	
Preferential Procurement		25		20
Enterprise Development		5		5
Supplier Development		10		5
Bonus points		4		3
Social Development	500	5	605	5
Total (incl 9 bonus points)		123		108

Each of the above criteria has sub-criteria which are weighted according to their importance in driving empowerment.

3. THE TRANSFORMEX VERIFICATION PROCESS

The estimated time for the verification is **3-4 MONTHS** from the date of the Pre-Site Visit, dependent on whether supporting documents are received from the client timeously.



3.1 VERIFICATION PREPARATION

To engage Transformex, the client must complete the following and email to Transformex:

- Verification Request Form COR01A-PART 2 and return to Transformex
- Transformex Verification Agreement (MAN01-A to be sent on completion of this form)
- Proof of the 100% payment: banking details on the last page
- Company ownership organogram – with B-BBEE or black ownership information
- Company profile

On receipt of the above, you will be contacted to provisionally accept the verification and to either set up a preliminary site visit date or confirm the dates when the verification file will be received from the company.

The client has an option to skip the preliminary site visit process, if they have been through the process before, and are confident that they have all the required information as per the Verification claim and document requirement spreadsheets. If the client skips the pre-site visit, the same process will be followed, and this has no impact on the fees paid.

3.2 THE PRE-SITE VISIT

Once the above documentation has been received, Transformex will contact the client with a Pre-Site Visit Date and a Site Visit Date via email. The date must be confirmed by the client. An agenda will also be sent to the client scheduling the time of the Pre-Site Visit for different members of the client's organization as well as the list of document requirements to be collated by the client for verification. This will help the client start collating information for the Pre-Site Visit.

At the Pre-Site Visit, the analyst will explain the verification process and discuss all requirements from the client necessary to continue with analysis and verification. The client must send all necessary documentation to Transformex within one week of the Pre-Site Visit or during the Pre-Site Visit.

The client has an option to skip the preliminary site visit process, if they have been through the process before, and is confident that they have all the required information as per the Verification Questionnaire and content form provided to the client by Transformex. If the client skips the pre-site visit, the same process will be followed, and this has no impact on the fees paid.

A verification site visit date will initially be set as soon as possible after the receipt of the verification file. We recommend between two and four weeks after the preliminary site visit date. You will be asked to commit to and confirm the verification site visit date at the preliminary visit.

3.3 ANALYSIS AND VERIFICATION OF INFORMATION

Once the information has been received the analyst will continue with the analysis and review of documentation. The analyst will analyse the documentation received and will contact the client should further evidence be required or if the client has not provided all information requested at the pre-site visit. Verification of Documents will be conducted and a preliminary score will be calculated.

3.4 FINAL SITE VISIT

At the Final Site Visit, the analyst collates any outstanding documentation for completion of the verification. Please note that the final site visit is the last chance to provide Transformex with any additional information. Staff and other interviews will take place during the final site visit.

3.5 FINAL VERIFICATION REPORT

Once the final site visit is complete, the verification analysis will be completed by the analyst and reviewed by THE TECHNICAL SIGNATORY. A final report will be sent to the client with the final B-BBEE certificate.

The client must respond within 5 working days of receipt of the final report and certificate that he accepts or rejects the score. If a client appeals the score this must be done on the Transformex Appeals form.

VERIFICATION SCORE APPEALS

If the entity is not satisfied with the verification score, it must appeal using the Transformex Appeals form that will be accompanied by your certificate and report or through the website www.transformex.co.za within five (5) days of receiving the preliminary verification. **Once the appeal has been handled satisfactorily, the final report will be issued within three days of acceptance of the 5 working days of the closing of an appeal.** If no appeals are made within five (5) days of receiving the final verification, the verification will be accepted by Transformex as the client's acceptance of the certificate. Any appeals made and time spent on the verification after this period elapses will be billed to the client.

If appeals are made the Transformex documented appeals process will apply. This document can be found on www.transformex.co.za.

COMPLAINTS

Transformex defines a complaint as "an expression of dissatisfaction, oral or written, justified or not, made by a complainant, involving an allegation of financial loss, material distress or material inconvenience".

Complaints can be received from both internal and external stakeholders.

Transformex is committed to delivering consistent, industry-leading, high-quality Verification Services. In pursuit of our goal of continuous improvement, we welcome complaints and concerns as tools for continual improvement of our business.

If complaints are made the Transformex Complaints process will apply. This document can be found on www.transformex.co.za

3.6 VERIFICATIONS OUTCOME

Once you have gone through the verification process, you will be awarded a verification report with a verification certificate.

IMPORTANT INFORMATION:

A Clarification meeting with an analyst may be arranged, but such a meeting will be billed in terms of time invested and travel/accommodation costs incurred. A Tender Letter will be issued at the start of the process and is valid for a 3-month period, which is the time the verification should be completed if there are delays. Tender Letters may not be re-issued upon expiry thereof.

Cancellation of Verifications

Should you wish to cancel your verification the charges will be incurred as follows,

- After the agreement is signed: 50% of the fees
- After the pre-site visit is conducted: 100% of the fees

Change of Contractual Terms & Conditions

Should you wish to change any of the contractual conditions as per the completed verification pack after the date of engagement (i.e. changes relating to the type of verification required, cancellation of verifications etc.), please do so in writing

Note that without such a request being made in writing, the original contractual agreement will remain valid and all services rendered will be in terms thereof.

3.8 USE OF TRANSFORMEX LOGO AND CERTIFICATE

An entity may only use the Transformex logo when referring to its verified B-BBEE score after obtaining the written consent of Transformex and only once a final verification has been issued. The use of the Transformex name or logo must be followed by the actual verified B-BBEE supplier status achieved by the entity, i.e. 'Transformex Level 1 B-BBEE supplier'. A certificate is valid for one year. Should this validity period expire, the entity may not use the Transformex Logo until such time that a new certificate is issued by Transformex.

4. PAYMENT TO TRANSFORMEX

100% of the total fee + VAT is payable on signing of the Verification Agreement to secure a pre-site visit.

Reference on the deposit is the name of your entity and Invoice Number. No verification process will commence without receipt of the proof of payment; the signed request for verification and the signed verification agreement.

4.1 TRANSFORMEX BANKING DETAILS

ACCOUNT:	TRANSFORMEX CC
BANK:	NEDBANK
BRANCH:	NEDBANK SOUTH AFRICA
BRANCH CODE:	198765
ACCOUNT #:	1913397289