

PROCEDURE ON SHORT NOTICE VERIFICATIONS, SPECIAL EVALUATIONS AND R-EVALUATION

1. Purpose

To effectively control Special evaluations, short notice evaluations and re evaluations.

2. Scope

The purpose of this procedure is to regulate verification processes which have to be conducted on short notice and limited changes in the BEE status of a Measured Entity.

It is applicable to Verification Managers, Technical Signatories, Team Leaders Verification Analysts and External Verification Analysts.

3. References

- Clause 18.4 of R 47 – 03

4. Definitions and

- BEE Transformation Solutions hereinafter as "BTS"

5. Responsibilities

The responsibility to implement this procedure lies with the Directors, Verification Managers, Analysts, Team Leaders and External Verification Analysts

6. Procedures

a) Short-notice verification:

- i) "BTS" shall describe and make known in advance to the Measured Entity, the conditions under which these short-notice visits are to be conducted.
- ii) Upon receipt of a request for short-notice verification, the Verification Manager will review the request and applicable verification information and evidence. The request can also be sent by the Measured Entity to BTS at any time after the request for verification has been sent. The Measured Entity need to send a written request for short notice verification, where upon the Verification Manager will respond in writing where or not the request is successful. The short notice visit can also be noted on the plan and agenda sent out to the Measured Entity.
- ii) The Verification Manager shall make a decision for accepting or not accepting the request, based on "BTS".'s capacity, resources, competence, impartiality, required evidence received and time frame in which the verification should be completed.
 - a. Should the Verification Manager that "BTS" currently does not have the capacity and resources in order to finalise the verification in the requested time period, the Verification Manager shall inform the client in writing, including reasons for the non-acceptance.
 - iii) Should the Verification Manager/Assistant Verification Manager decide that "BTS" has the capacity, competence, impartiality, required essential evidence and resources to finalise the

verification within the requested time period, the Verification Manager shall inform the client in writing and set out the procedures to be followed:

1. The file shall receive a Measured Entity Number on the database and the assigned administrative official shall forward the Measured Entity the Service Agreement, the BEE Guidelines, CV's of Team Leaders and Analysts, Explanation of the Verification Process and the Service Agreement, Power of attorney and BEE Request;
2. The Verification Manager/Assistant Manager shall appoint the verification Team members;
3. The file shall be handed to the Team Leader/Verification Analyst in order to conduct the preparation meeting with the Measured Entity;
4. The file will be ME'ed by the assigned administrative official;
5. Upon finalisation thereof an on-site verification date shall be scheduled with the Measured Entity;
6. The Team Leader/Verification Analyst shall draw a Verification Plan & Agenda and it shall be forwarded to the Measured Entity via fax/email at least 1 working day before the verification on-site and acceptance or objection received from the client prior to the on site.
7. The verification on-site shall be conducted by the assigned Verification Analyst / Team Members;
8. The verification BEE scorecard, and recommendation (BTSD 18/30) shall be handed to the impartial Verification Manager/Assistant Verification Manager in order to validate the score, complete the quality checks and issue the BEE Certificate (should all checks be completed, and scores correct).
9. Verification Managers/Technical Signatory to ensure that the standards prescribed in the Verification System of "BTS" will be adhered to in short-notice evaluations.
10. The Measured Entity will be charged for Special evaluations in addition to the verification fee

11. Re-Evaluations:

- a) The verification of a Measured Entity requesting a re-evaluation will be conducted with the same registration (ME Number) number allocated to that entity on the databases of "BTS"
- b) The Measured Entity must apply for a re-evaluation of a certain element(s) within the valid period the BEE Certificate and can for the following reasons but not limited to:
 - o Ownership
 - o Structure

- o Management of the entity or
 - o For other reasons where the B-BBEE score may be called into question
- c) Upon receipt of the request for re-evaluation, the file shall be assigned to an administrative official and the Measured Entity shall be informed of receipt of the re-evaluation.
 - d) The file, together with the new evidence shall be handed to a Verification manager /Director order to conduct a review on the applicable evidence and information
 - e) Upon acceptance of the request for a re-evaluation, the Verification Manager/Assistant Verification Manager/ Director shall appoint a Verification Team Verification Analyst(s).
 - f) The Verification Managers shall be particularly sensitive of the requirements of re-evaluations during the appointment and assignment of the Verification Teams. Verification Analysts that had been assigned to a previous verification of a measured entity will not be assigned to participate in a re-evaluation of that entity.
 - g) The assigned Analyst shall conduct a preparation meeting with the Measured Entity and should an on-site be required, the assigned administrative shall schedule the on-site verification.
 - h) The Analyst shall draw a Plan & Agenda which shall be forwarded to the Measured Entity at least 1 working days before the on-site verification.
 - i) The Team Member(s) shall conduct the onsite and complete the report, recommendation and scorecard.
 - j) The verification BEE scorecard and recommendation shall be handed the technical signatory.
 - k) A Technical Signatory shall double check the calculations and complete the checklist together with the Verification Manager and issue the BEE Certificate (should all checks be completed, and scores correct)
 - l) A second Verification Certificate issued in respect of the Measured Entity will be indicated on the certificate by a (1).

12. SPECIAL EVALUATIONS

- 12.1 Special evaluations It may be necessary for BTS to conduct evaluations of measured entities at short notice in order to investigate complaints / appeals or in response internal audit findings.
- 12.2 In such cases:
 - (a) BTS shall describe and make known in advance to the measured entity the conditions under which these short-notice visits are to be conducted, and
 - b) BTS shall exercise additional care in the assignment of the verification team because of the lack of opportunity for the measured entity to object to the verification team members.