

LIMITED ASSURANCE REPORT OF THE INDEPENDENT B-BBEE APPROVED REGISTERED AUDITOR

To the directors of Systems Applications Products (South Africa) (Pty) Ltd

We have completed our limited assurance engagement on the B-BBEE Status as at 30 June 2016, as set out on the Broad-Based Black Economic Empowerment ('B-BBEE') Verification Certificate of System Applications Products (South Africa) Proprietary Limited (the 'Certificate'), Certificate No: 06/ICT/B-BBEE/GENERIC/30/06/2016/SAP; the Scorecard as set out on pages 4 to 7 of the Certificate and on the attached Annexure A *ICT Codes Scorecard achieved*. We clarify that our engagement is on the basis of information provided by management.

Directors' responsibility

The directors are responsible for the preparation of the Scorecard and determining the B-BBEE status in accordance with the Information and Communication Technology Code gazetted on 06 June 2012 in terms of the Broad-Based Black Economic Empowerment Act of South Africa ('the B-BBEE Act'). The directors are also responsible for such internal control as management determines is necessary to enable the preparation of information and the B-BBEE Scorecard that is free from material misstatement, whether due to fraud or error.

B-BBEE Approved registered auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the B-BBEE Status reflected in the Certificate based on the procedures we have performed. We conducted our limited assurance engagement in accordance with the *South African Standard on Assurance Engagements ('SASAE') 3502: Assurance Engagements on Broad Based Black Economic Empowerment ('B-BBEE') Verification Certificates ('SASAE 3502')*. This standard requires us to comply with ethical requirements and to plan and perform this engagement to obtain limited assurance about whether the Certificate is free from material misstatement.

A limited assurance engagement with respect to a B-BBEE Verification Certificate involves performing procedures regarding the Scorecard and B-BBEE Status of the measured entity based on the criteria and requirements contained in the ICT codes.

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Victor Sekese (Chief Executive)

B-BBEE Approved registered auditor's responsibility (continued)

The procedures performed depend on the assurance provider's judgment. The nature of those procedures is different from and the extent is substantially less than in a reasonable assurance engagement, and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

We believe that the evidence we have obtained in our limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

Summary of work performed

Our work performed included:

- Obtaining an understanding of the entity and its environment and the underlying records sufficient to identify areas in the Scorecard where material misstatements are likely to arise, to be able us to design procedures to address those areas;
- Inquiring of management and employees responsible for the preparation of the B-BBEE compliance information;
- Performing such additional procedures as we considered necessary;
- Re-performing calculations to determine whether the scores reflected in the relevant Scorecard elements have been classified and determined in all material respects in accordance with the Codes of Good Practice.

Limited assurance conclusion

Based on our procedures performed, nothing has come to our attention that causes us to believe that the B-BBEE Status reflected in the Certificate has not been determined, in all material respects, in accordance with the Information and Communications Technology Sector Code, gazetted on 06 June 2012 in terms of the Broad-Based Black Economic Empowerment Act of South Africa ("the B-BBEE Act").

Restriction on liability

Our engagement has been undertaken so that we might report to the directors of Systems Applications Products (South Africa) Proprietary Limited in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Systems Applications Products (South Africa) Proprietary Limited, for our work, for this report, or for the conclusion we have reached.

Registered firm:	SizweNtsalubaGobodo Inc.
B-BBEE Approved Registered Auditor:	Agnes Dire CA (SA)
Capacity:	Director
Registered Firm IRBA No:	946016
IRBA Number:	712227 B
SAICA Number:	09115627

CODE SERIES 100 : MEASUREMENT OF THE OWNERSHIP ELEMENT OF B-BBEE					
Weighting percentage	Category	Ownership	Weighting points	Compliance target	Score
20	2.1 Voting rights:				
		2.1.1 Exercisable Voting Rights in the Enterprise in the hands of black people	3	30%	3.00
		2.1.2 Exercisable Voting Rights in the Enterprise in the hands of black women	2	10%	2.00
	2.2 Economic Interest:				
		2.2.1 Economic Interest of black people in the Enterprise	4	30%	4.00
		2.2.2 Economic Interest of black women in the Enterprise	2	10%	2.00
		2.2.3 Economic Interest of the following black natural people in the Enterprise:	1	2.5%	1.00
		2.2.3.1 black designated groups; 2.2.3.2 black Participants in Employee Ownership Schemes; 2.2.3.3 black beneficiaries of Broad based Ownership Schemes; or 2.2.3.4 black Participants in Co-operatives			
	2.3 Realisation points:				
		2.3.1 Ownership fulfilment	1		1.00
		2.3.2 Net Value	7		7.00
	2.4 Bonus points:				
		2.4.1 Involvement in the ownership of the Enterprise of black new entrants;	2	10%	2.00
		2.4.2 Involvement in the ownership of the Enterprise of black Participants:	1	10%	1.00
		2.4.2.1 in Employee Ownership Schemes; 2.4.2.2 of Broad-Based Ownership Schemes; or 2.4.2.3 Co-operatives.			
		Total			23.00

CODE SERIES 200: MEASUREMENT OF THE MANAGEMENT CONTROL ELEMENT OF B-BBEE					
Weighting percentage	Category	Management Control	Weighting points	Compliance Target	Score
10	2.1 Board participation:				
		2.1.1 Exercisable Voting Rights of black Board members who are black adjusted using the Adjusted Recognition for Gender	3	50%	3.00
		2.1.2 Black Executive Directors adjusted using the Adjusted Recognition for Gender	2	50%	2.00
	2.2 Top Management:				
		2.2.1 Black Top Management adjusted using the Adjusted Recognition for Gender	5	40%	5.00
	2.3 Bonus points:				
		Black Independent Non-Executive Board Members	1	40%	0.00
		Total			10.00

CODE SERIES 300: MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT OF B-BBEE					
Weighting percentage	Employment Equity	Weighting points	Compliance targets		Score
			Years 0 – 5	Years 6 - 10	
10	2.1.1 Black Disabled Employees as a percentage of all employees using the adjusted recognition for gender	1	2%	3%	0.00
	2.1.2 Black employees in Senior Management as a percentage of all such employees using the adjusted recognition for gender	4	43%	60%	2.24
	2.1.3 Black employees in Middle Management as a percentage of all such employees using the adjusted recognition for gender	3	63%	75%	0.00
	2.1.4 Black employees in Junior Management as a percentage of all such employees using the adjusted recognition for gender	2	68%	80%	1.77
	2.1.5 Bonus point for meeting or exceeding the EAP targets in each category under 2.1.1 to 2.1.4	3			
	Total				4.01

CODE SERIES 400: MEASUREMENT OF THE SKILLS DEVELOPMENT ELEMENT OF B-BBEE				
Weighting points	Skills Development	Weighting points	Compliance Target	Score
17	2.1.1 Skills Development Expenditure on any program specified in the Learning Programmes Matrix:			
	2.1.1.1 Skills Development Expenditure on Learning Programmes specified in the Learning Programmes Matrix for black employees for black employees as a percentage of Leivable Amount	7	3%	0.96
	2.1.1.2 Skills Development Expenditure on Learning Programmes specified in the Learning Programmes Matrix for black employees with disabilities as a percentage of Leivable Amount using the Adjusted Recognition for Gender	3	0.3%	0.00
	2.1.2 Learnerships			
	2.1.2.1 Number of black employees participating in Learnerships or Category B, C and D Programmes as a percentage of total employees using the Adjusted Recognition for Gender	7	5%	6.72
	Total			7.68

Weighting points	Category	Preferential Procurement	Weighting points	Compliance Target	Score
20	Preferential Procurement	2.1.1 B-BBEE Procurement Spend from all Suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	12	70%	12.00
		2.1.2 B-BBEE Procurement Spend from Qualifying Small Enterprises or Exempted Micro-Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	3	15%	3.00
		2.1.3 B-BBEE Procurement Spend from any of the following Supplier as a percentage of Total Measured Procurement Spend: 2.1.3.1 Supplier that are 50% black owned (3 out of 5 points; or 2.1.3.2 Suppliers that are 30% black women owned(2 out of 5 points)	5	20%	4.42
		2.1.4 Publish and implement favourable payment terms for black-owned, black-empowered and black engendered SMMs of less than or equal to 15 days	3(bonus)		3.00
		2.1.5 Bonus points allocated up to a maximum of 2 points for B-BBEE spend from enterprises referred to in 2.1.3 above that include people with disabilities who have minimum of 5% equity participation	2(bonus)		0.00
		2.1.6 A bonus point shall be awarded for every 5% of the 70% target spent with entities referred to in 2.1.3 above	1(bonus)		1.00
		Total			23.42

CODE SERIES 600: MEASUREMENT OF THE ENTERPRISE DEVELOPMENT ELEMENT OF B-BBEE					
Weighting point	Category	Enterprise Development	Weighting points	Compliance Target	Score
11		Average annual value of all Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target	11	5% of NPAT	11.00

CODE SERIES 700: MEASUREMENT OF THE SOCIAL DEVELOPMENT AND SECTOR SPECIFIC ELEMENT OF B-BBEE					
Weighting point	Category	Social Economic Development	Weighting points	Compliance Target	Score
12		Average annual value of all Qualifying Contributions made by the Measured Entity measured from the commencement of this statement or the Inception Date to the date of measurement as a percentage of the target	12	1.5% of NPAT	12.00

B-BBEE recognition levels table:

B-BBEE contributor level	Scorecard results	Procurement claim value as % of Rand spend:
Level 1	=> 100 points	135%
Level 2	= 85 - < 100 points	125%
Level 3	= 75 - < 85 points	110%
Level 4	= 65 - < 75 points	100%
Level 5	= 55 - < 65 points	80%
Level 6	= 45 - < 55 points	60%
Level 7	= 40 - < 45 points	50%
Level 8	= 30 - < 40 points	10%
Non-compliant	< 30 points	0%