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Broad-Based Black Economic Empowerment Verification Certificate

Entity Name: **Pro-phalt SA (Pty) Ltd**

Certificate No: **GEN/22/0/2014/20215**

Type of Entity: **Private Limited Co**

Registration No: **2009/011760/07**

VAT No: **4220255774**

Postal Address: **P.O. Box 142, Amanzimtoti, 4125**

Physical Address: **Happy Days Building, 65 Beach Road, Amanzimtoti, 4126**

Verification Standard Applied: **Construction Charter - BEP**

Issue of the Rating Standard Applied: **Section 9 of the B-BBEE Act no 53 of 2003**

Scorecard Applied: **Generic Scorecard**

Size of the Entity: **Large Enterprise with a turnover greater than R11.5m**

ELEMENT	WEIGHTING	SCORE
Ownership	25	25.00
Management	10	6.12
Employment Equity	10	0.00
Skills Development	20	11.96
Preferential Procurement	20	20.00
Enterprise Development	10	15.00
Socio-Economic Development	5	5.00
OVERALL SCORE	100	78.08

Broad Based BEE status level

Level 3

Black Ownership **43.46%**

BEE procurement recognition level

110%

Black Women Ownership **14.06%**

Value Adding Supplier

No

Based on our work performed, we have no reason to believe that the B-BBEE status reflected in this Certificate has not been determined in all material respects, in accordance with the Construction Charter – BEP, gazetted on 5 June 2009. The Certificate does not serve as a guarantee that the income reflected will continue at the same levels.

In our opinion, the B-BBEE Status reflected on this Certificate has been determined, in all material respects, in accordance with the Construction Charter – BEP gazetted on 5 June 2009. Our independent limited assurance report dated 22 July 2014, is available for inspection at the registered office of the measured entity together with the accompanying Scorecard and should be referred to for an understanding of our assurance engagement.

This Certificate has been determined, on the basis of information provided by management that may not be complete in all respects. We do not accept or assume responsibility to anyone other than the measured entity, for our work, for this report, or for the conclusion we have reached.

B-BBEE Approved Registered Auditor: Wayne G. Harrison CA(SA)

B-BBEE Approved Registered Auditor Registration Nr: 397075 B

Date of issue: 22 July 2014

Expiry Date: 21 July 2015

Period of validity: 12 Months

Date of Issue: 22 July 2014

PRO-PHALT SA (PTY) LTD

Certificate Number: GEN/22/07/2014/20215

Expiry Date: 21 July 2015

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

To the director(s) of Pro-phalt SA (Pty) Ltd

We have completed our limited assurance engagement on the B-BBEE Status as at 22 July 2014, as set out on page 1 of the Broad-Based Black Economic Empowerment ("B-BBEE") Verification Certificate of Pro-phalt SA (Pty) Ltd (the "Certificate"), and the Scorecard as set out on the pages below. 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 Construction Charter – BEP. 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 Construction Charter – BEP gazetted on 5 June 2009. 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 Construction Charter – BEP. The procedures performed depend on the assurance provider's judgement. 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

- 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, and to be able 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 Scorecard have been classified and determined in all material respects in accordance with the Construction Charter – BEP.

Date of Issue: 22 July 2014

PRO-PHALT SA (PTY) LTD

Certificate Number: GEN/22/07/2014/20215

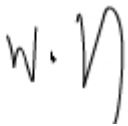
Expiry Date: 21 July 2015

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 Construction Charter - BEP gazetted on 5 June 2009.

Restriction on liability

Our engagement has been undertaken so that we are able to report to in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than, for our work, for this report, or for the conclusion we have reached.



B-BBEE Approved Registered Auditor:

Full Name:	Wayne G. Harrison CA(SA)
IRBA Registration Nr:	397075 B
Capacity	Partner

Date of Issue: 22 July 2014

PRO-PHALT SA (PTY) LTD

Certificate Number: GEN/22/07/2014/20215

Expiry Date: 21 July 2015

B-BBEE SCORECARD REPORT OF THE INDEPENDENT B-BBEE APPROVED REGISTERED AUDITOR

CODE SERIES 2100: MEASUREMENT - OWNERSHIP ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES

Criteria	Points	Target	Actual	Score
Exercisable Black Voting Rights	4.00	30%	43.46%	4.00
Exercisable Black Women's Voting Rights	2.00	10%	14.46%	2.00
Economic interest - black people	5.00	30%	43.46%	5.00
Economic interest - black women	2.00	10%	14.46%	2.00
Economic interest - Other	5.00	10%	43.46%	5.00
Ownership Fulfilment	1.00	Yes	Yes	1.00
Net Value	6.00	formula	6.20%	6.00

CODE SERIES 2200: MEASUREMENT - MANAGEMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES

Criteria	Points	Target	Actual	Score
Exercisable Voting Rights of Black Board members	5.00	40%	28.41%	3.55
Black Senior Top Management	5.00	40%	20.58%	2.57

CODE SERIES 2300: MEASUREMENT - EMPLOYMENT EQUITY ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES

Criteria	Points	Target	Actual	Score
Black Senior management %	3.5.00	60%	0%	0.00
Black Middle management %	3.5.00	75%	0%	0.00
Black Junior management %	2.5.00	80%	0%	0.00
Black disabled employees % office based employees	0.5.00	3%	0%	0.00
Black management as a % of all management	0.00	60%	0%	0.00
Black disabled employees % office based employees	0.00	3%	0%	0.00

CODE SERIES 2400: MEASUREMENT - SKILLS DEVELOPMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES

Criteria	Points	Target	Actual	Score
Expenditure on Learning Programmes - all staff	2.00	1.5%	0.88%	1.46
Expenditure on Learning Programmes - black staff	3.00	70%	118.33%	4.00
Expenditure on Learning Programmes - black management	1.50	25%	0.00%	0.00
Number of Learnerships -- Cat B,C	1.00	1.50%	12.50%	1.50
Number of black learnerships -- Cat B,C	2.50	70%	112.52%	3.50
Number of black disabled learnerships -- Cat B,C	1.00	5%	177.52%	1.50
Expenditure on Scholarships -- Bursaries	2.00	0.3%	0.00%	0.00
Mentorship programmes	2.00	Yes	No	0.00

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CODE SERIES 2500: MEASUREMENT - PREFERENTIAL PROCUREMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES				
Criteria	Points	Target	Actual	Score
BEE Procurement Spend.	12.00	70%	86.20%	12.00
Procurement Spend with QSEs	3.00	15%	78.36%	3.00
Procurement Spend with 50% black owned bus..	3.00	12%	38.74%	3.00
Procurement Spend with 30% black female owned bus..	2.00	8%	19.58%	2.00

CODE SERIES 2600: MEASUREMENT - ENTERPRISE DEVELOPMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES				
Criteria	Points	Target	Actual	Score
Compliance with Charter ED Matrix	5.00	formula	57.23%	5.00
Average annual value of ED contributions	5.00	0.75%	10.28%	5.00

CODE SERIES 2700: MEASUREMENT - SOCIO-ECONOMIC DEVELOPMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES				
Criteria	Points	Target	Actual	Score
Average annual value of SED contributions	5.00	0.25%	3.01%	5.00