

**Broad-Based Black Economic Empowerment
Verification Certificate**

NELSPRUIT IRON AND STEELWORKS CC

Certificate No: pBs/B-BBEE: QSE/03/10/2016/063

Registration no: 1987/025965/23
VAT no: 4020102945
Head Office, Location: 14 Stinkhout Crescent,
 Nelspruit, 1200

Verification Standard Applied: Standard Codes of Good Practice on Black Economic Empowerment

Issue of the rating standard applied: Section 9 of the B-BBEE Act 53 of 2003

Scorecard Applied: Qualifying Small Enterprises Scorecard (< / or = R35 Million annual turnover*)

Element	Element weighting	Score
Ownership	25	N/a
Management Control	25	N/a
Employment Equity	25	12.02
Skills Development	25	N/a
Preferential Procurement	25	20.55
Enterprise Development	25	25.00
Socio-Economic Development	25	25.00
Overall Score	100	82.57

Broad Based BEE status level: A level 3 Contributor to B-BBEE
BEE procurement recognition level: 110%
Black Ownership: 0%
Black Women Ownership: 0%
Value Adding Supplier: Yes

Although the abovementioned is the current level of turnover/income and is closely related to the economic indicators, it may be more or less in future. Consequently, this Certificate does not serve as a guarantee that the income reflected will continue at the same levels.

Based on our work performed, we have no reason to believe that the B-BBEE status reflected in this Certificate has not been calculated in all material respects, in accordance with the Codes of Good Practice on Black Economic Empowerment, gazetted on 9 February 2007 in terms of the Broad-Based Black Economic Empowerment Act of South Africa.

Our limited assurance report dated 3 October 2016 is available for inspection at the registered office of Nelspruit Iron and Steelworks CC together with the accompanying detailed B-BBEE Scorecard and should be referred to for an understanding of our limited assurance engagement and the extent of work performed.

This Certificate has been determined, on the basis of information provided by management. We do not accept or assume responsibility to anyone other than Nelspruit Iron and Steelworks CC, for our work, for this report, or for the conclusion we have reached.



Michael Brooks
Registered Auditor Registration No.: 504909
B-BBEE Approved Registered Auditor

Date of issue: 03/10/2016
Expiry date: 04/10/2017
Period of validity: 12 Months

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

To the Members of Nelspruit Iron and Steelworks CC

We have completed our limited assurance engagement on the B-BBEE Status as at 3 October 2016, as set out on page 1 of the Broad-Based Black Economic Empowerment ("B-BBEE") Verification Certificate of Nelspruit Iron and Steelworks CC (the "Certificate"), and the Scorecard as set out on pages 4 to 5 of the Certificate. We clarify that our engagement is on the basis of information provided by management.

Members' responsibility

The members are responsible for the preparation of the Scorecard and determining the B-BBEE status in accordance with the Codes of Good Practice on Black Economic Empowerment ("the Codes of Good Practice"), gazetted on 9 February 2007 in terms of the Broad-Based Black Economic Empowerment Act of South Africa ("the B-BBEE Act"). The members 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*. 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 Codes of Good Practice. 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

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, and to be able to design procedures to address those areas;

Director: MC Brooks CA(SA)

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- 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 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 Codes of Good Practice gazetted on 9 February 2007 in terms of the B-BBEE Act.

Restriction on liability

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



Michael Brooks

Director

B-BEE Approved Registered Auditor

IRBA Registration number: 504909

Date signed: 3 October 2016

Director: MC Brooks CA(SA)

IRBA Registration # 504909

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CODE SERIES 803: MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT FOR QSE					
Weighting points	Employment Equity	Weighting points	Compliance targets		Score
			Years 0 - 5	Years 6 -10	
25	Black employees of the Measured Entity who are Management as a percentage of all Management as a percentage of all Management adjusted using the Adjusted Recognition for Gender	15	60% (16%) Sub-Min	50% (24%) Sub-Min	6.25
	Black employees of the Measured Entity as a percentage of all employees adjusted using the Adjusted Recognition for Gender	10		70% (28%) Sub-Min	5.77
	Bonus point for meeting or exceeding the EAP targets in each category above	2			0.00
	Total	27			12.02

CODE SERIES 805: MEASUREMENT OF THE PREFERENTIAL PROCUREMENT ELEMENT FOR QSE					
Weighting points	Preferential Procurement	Weighting points	Compliance Target		Score
			Years 0 - 5	Years 6 - 10	
25	B-BBEE Procurement Spend from all Suppliers based on the B-BBEE Procurement Levels as a percentage of Total Measured Procurement Spend	25	40%	50%	20.55
	Total	25			20.55

CODE SERIES 806: MEASUREMENT OF THE ENTERPRISE DEVELOPMENT ELEMENT FOR QSE				
Weighting points	Enterprise Development	Weighting points	Compliance Target	Score
25	Average annual value of all Qualifying Contributions made by the Measured Entity as a percentage of the target	25	2% of NPAT	25.00
	Total	25		25.00

CODE SERIES 807 : MEASUREMENT OF THE SOCIAL ECONOMIC DEVELOPMENT CONTRIBUTIONS FOR QSE				
Weighting points	Social Economic Development	Weighting points	Compliance Target	Score
25	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	25	1% of NPAT	25.00
	Total	25		25.00
	Total Score			82.57

B-BBEE Status and Procurement Recognition Levels:

B-BBEE Contributor Status	Scorecard - Overall Score	Procurement Recognition Level: Claim value as % of Rand spend:
Level 1 Contributor	= 100 points	135%
Level 2 Contributor	= 85 - < 100 points	125%
Level 3 Contributor	= 75 - < 85 points	110%
Level 4 Contributor	= 65 - < 75 points	100%
Level 5 Contributor	= 55 - < 65 points	80%
Level 6 Contributor	= 45 - < 55 points	60%
Level 7 Contributor	= 40 - < 45 points	50%
Level 8 Contributor	= 30 - < 40 points	10%
Non-compliant Contributor	< 30 points	0%