

Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

CSG Holdings Limited and Subsidiaries

Level 2 Contributor

Measured Entity

Company Name	CSG Holdings Limited and Subsidiaries
Registration Number	2006/011359/06
VAT Number	4760263675
Address	Brooklyn Office Park, Block D 1109 Jan Shoba Street Brooklyn Pretoria, 0181

B-BBEE Status

B-BBEE Status Level	Level 2		
Total Points Obtained	95.83	EO: 25 points; MC: 11.72 points; SD: 11.92 points; ESD: 42.19 points; SED: 5 points	
Discounting Principle Applied	No	Measurement Period Year End	31/03/2021
Empowering Supplier	Yes	Participated in Y.E.S Initiative	No
Black Voting Rights	43.75%	Achieve Y.E.S Target and 2.5% Absorption	No
Black Women Voting Rights	11.38%	Achieve 1.5 x Y.E.S Target and 5% Absorption	No
Black Economic Interest	43.75%	Achieve Double x Y.E.S Target and 5% Absorption	No
Black Women Economic Interest	11.38%	Black New Entrants	15.42%
51% Black Owned*	No	Black Designated Groups	12.07%
30% Black Women Owned*	No	Black Youth	0.00%
Normal Flow Through Principle Applied	No	Black Disabled	0.00%
Modified Flow Through Principle Applied	Yes	Black Unemployed	0.00%
Exclusion Principle Applied	No	Black People Living in Rural Areas	0.00%
		Black Military Veterans	0.00%

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 100 Points	135%
2	≥ 95 but < 100	125%
3	≥ 90 but < 95	110%
4	≥ 80 but < 90	100%
5	≥ 75 but < 80	80%
6	≥ 70 but < 75	60%
7	≥ 55 but < 70	50%
8	≥ 40 but < 55	10%
Non Compliant		<40 0%
Enquiries Tel: 086 111 4003		
www.empowerlogic.co.za		

Issue Date	20/07/2021	*Black Owned: ≥51% and full points for Net Value
Expiry Date	19/07/2022	
Certificate Number	ELC10296RGENBB	*Black Women Owned: ≥30% and full points for Net Value
Version	Final	
Applicable Scorecard	Amended Codes - Generic	
Applicable BBEE Codes	Amended Generic Codes Gazetted on 11 October 2013 and Amendments Gazetted on 31 May 2019	



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BVA018

Per Gianna Le Roux
Member - Verification Committee

This certificate supersedes any previous certificates issued to the Measured entity. This certificate is the result of an independent and impartial verification of the BBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. This certificate has been issued in accordance with the EmpowerLogic Verification Certificate Policy. EmpowerLogic uses the Law Trust advanced electronic signature system (AeSign) which is compliant with the Electronic Communications and Transactions Act no 25 of 2002. The validity of the certificate is ensured as long as the digital signature details corresponds with the Technical Signatory's details as displayed on the certificate.

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Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate issued to CSG Holdings Limited and Subsidiaries

Certificate Number: ELC10296RGENBB

BBBEE Status: Level 2 Contributor

Empowering Supplier

Entities Included in the Consolidated Verification Certificate

Company Name	Registration Number	VAT Number
Afriboom (Pty) Ltd	2001/024946/07	4710245814
BDM Management (Pty) Ltd	1996/013579/07	4610196455
CSG Resourcing (Pty) Ltd	2007/016693/07	4270238902
CSG Recruit (Pty) Ltd	2014/235231/07	4400253789
CSG Integrated Services (Pty) Ltd	1986/090909/07	4500157104
CSG Engineering Services (Pty) Ltd	2001/006191/07	4650227061
CSG Resourcings (Pty) Ltd	1992/005475/07	4670135013
Northern Projects (Pty) Ltd	2007/009590/07	4330237811
Phakamani Solutions (Pty) Ltd	1996/011239/07	4330178486
Safety Adherence Technology (Pty) Ltd	1999/005547/07	4610182976
CSG Food Solutions (Pty) Ltd	1993/060002/07	4480156845
Umdeni Maintenance Services (Pty) Ltd	2006/017752/07	4140174170
CSG Skills Institute (Pty) Ltd	2001/005723/07	4770194555
Pinnacle Risk Management Solutions (Pty) Ltd	2018/225820/07	4290273145
Hi-Tech Nelspruit (Pty) Ltd	2012/158412/07	4960263434
Hi Tech Asset Protection (Pty) Ltd	2015/194922/07	4140272388
CSG Risk Solutions (Pty) Ltd	2006/002212/07	4630264473
CSG Security (Pty) Ltd	1997/005499/07	4210186625

EmpowerLogic (Pty) Ltd

Reg. No. : 1995/000523/07

BBBEE Verification Agency

Per Gianna Le Roux

Member - Verification Committee

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1. Introduction :

CSG Holdings Limited and Subsidiaries' Broad Based Black Economic Empowerment verification has been based on the Amended Codes of Good Practice for Broad Based Black Economic Empowerment Gazetted on 11 October 2013 and Amendments Gazetted on 31 May 2019

All BEE statistics (especially Supplier information) was collated in a comprehensive information gathering initiative to allow accurate scoring on all objectives and themes. With the increased emphasis by Government on broad based BEE, such figures must remain accurate and easily available for future measurement and reporting initiatives. The measurement period used for all financial information is 1 April 2020 to 31 March 2021.

This report is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. The objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. EmpowerLogic is not responsible for ensuring completeness of information provided to support the BBBEE status.

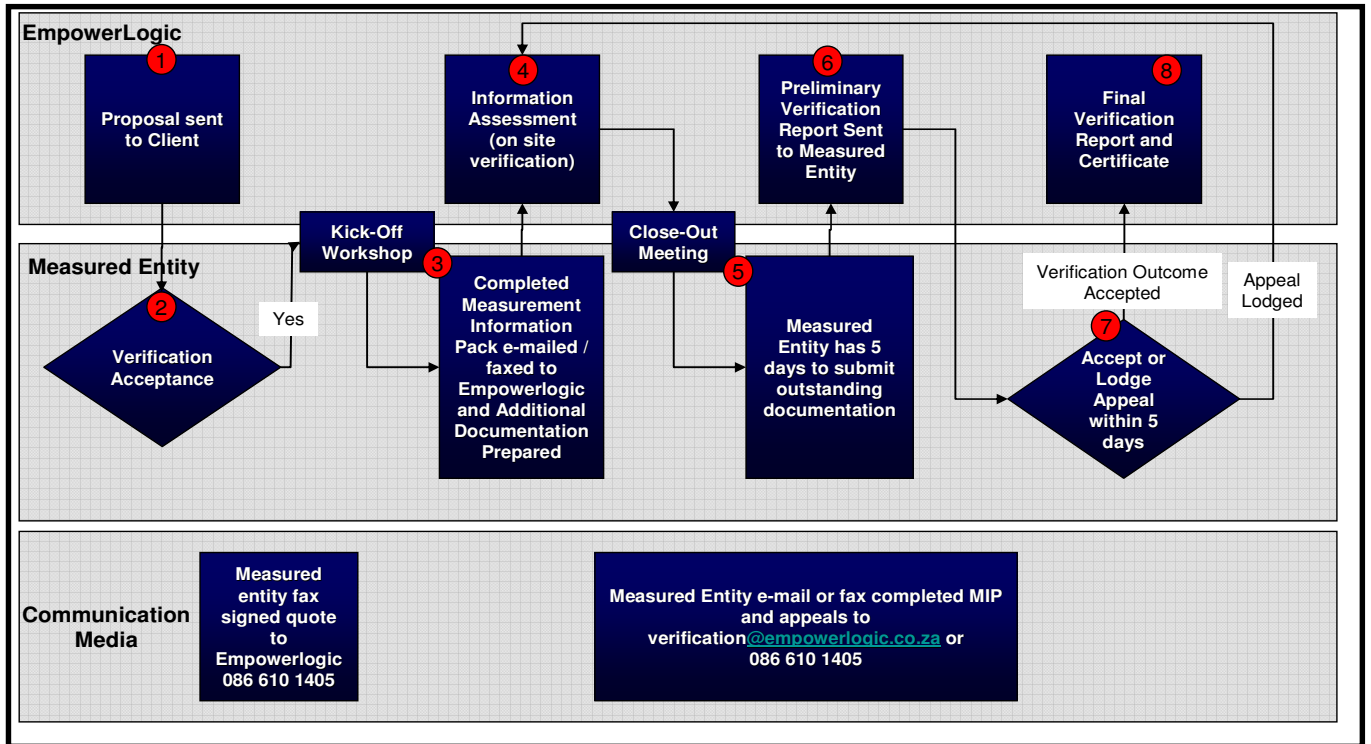
All the information contained in this document has been collected from sources within CSG Holdings Limited and Subsidiaries and believed to be accurate and reliable at the time of the measurement.

All referencing to Black individuals is based on the generic term used to refer to African (A), Indian (I), Coloured (C) and Chinese (C) South African citizens.

The verification for CSG Holdings was based on the following elements:

- *Equity Ownership – % flow of economic benefits and voting rights.*
- *Management Control – % black board composition, black executive management and measurement of Senior, Middle and Junior Management against EAP targets.*
- *Skills development - Skills development expenditure as a proportion of total payroll leviable amount and black people participating in Category B,C and D.*
- *Enterprise and Supplier Development*
 - *Preferential Procurement – Weighted Preferential Procurement spend based on the BEE Procurement Recognition Levels;*
 - *Supplier Development – Annual recoverable and non-recoverable contributions to Supplier Development as a % of NPAT;*
 - *Enterprise Development – Annual recoverable and non-recoverable contributions to Enterprise Development as a % of NPAT;*
- *Socio Economic Development - Annual non-recoverable contributions to Social Development as a % of NPAT.*

The following diagram illustrates the process that was followed, as well as the documentation involved in each part of the process :



- 1 Proposal
- 2 Signed Proposal
- 3 Measurement Information Pack
- 4 Verification Methodology and On-Site Schedule
- 5 Close Out Meeting Template
- 6 Provisional Verification report
- 7 Written Appeal
- 8 Final Verification Certificate and Report

The total score of a company will be used to rank them according to their progress in achieving broad-based black economic empowerment. The total points that a company earn are set out as follows by the Amended Codes of Good Practice:

Level	Qualification adjusted for Generic Codes	Procurement Recognition %
Level 1	≥ 100 Points	135%
Level 2	≥ 95 but < 100	125%
Level 3	≥ 90 but < 95	110%
Level 4	≥ 80 but < 90	100%
Level 5	≥ 75 but < 80	80%
Level 6	≥ 70 but < 75	60%
Level 7	≥ 55 but < 70	50%
Level 8	≥ 40 but < 55	10%
Non Compliant	<40	0%

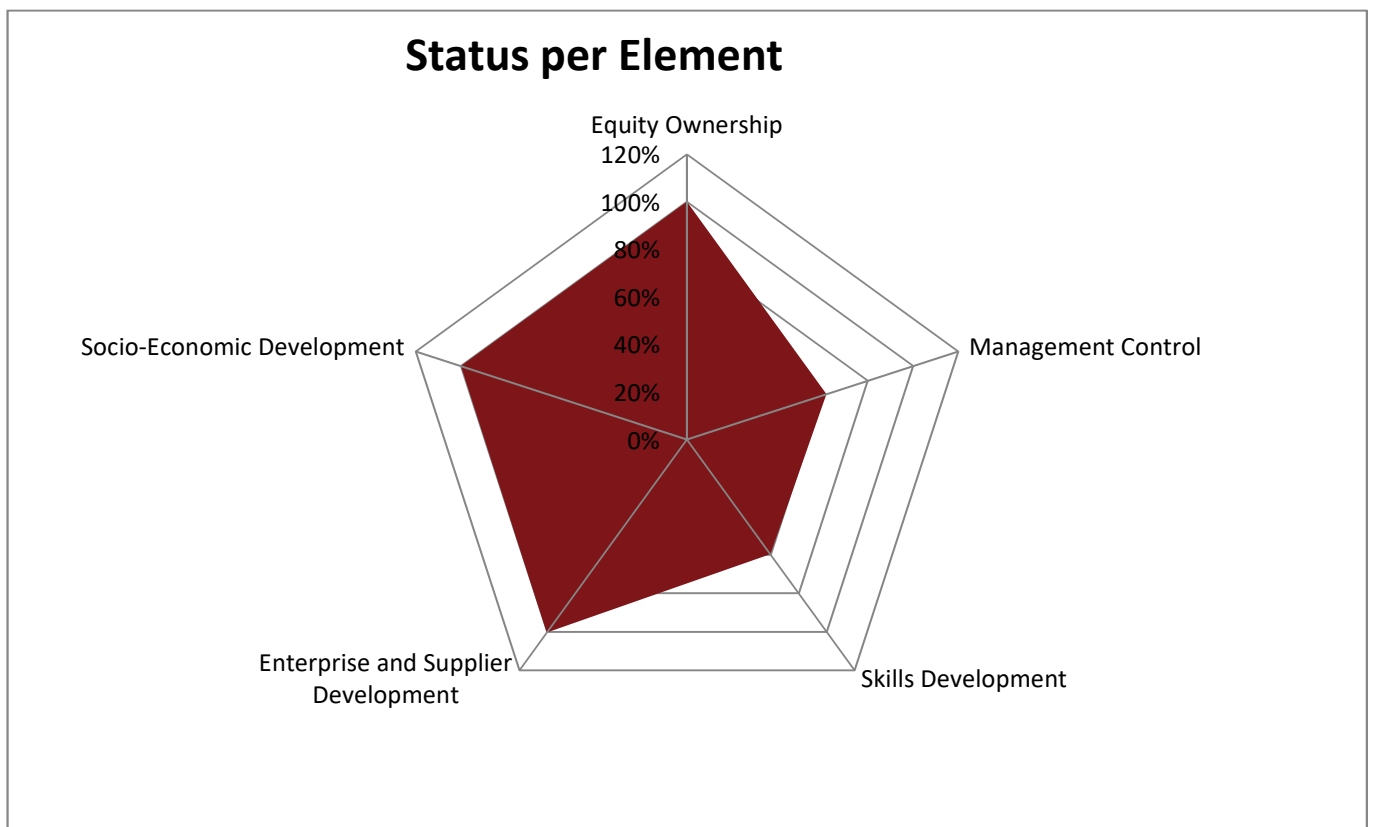
2. Amended Codes - Generic Scorecard:

Element	Indicator	Weight	Target
Equity Ownership	Exercisable Voting Rights by Black People	4.00	25%+1
	Exercisable Voting Rights by Black Women	2.00	10.0%
	Economic Interest to which Black People are entitled	4.00	25.0%
	Economic Interest to which Black Women are entitled	2.00	10.0%
	Economic Interest to which BDG's, EOS, BBOS and Co-op's are entitled	3.00	3.0%
	Involvement in the ownership by Black New Entrants	2.00	2.0%
	A - Net Value	8.00	25.0%
Management Control	% Exercisable Voting Rights of Black Board Members	2.00	50.0%
	% Exercisable Voting Rights of Black Women Board Members	1.00	25.0%
	% Black Executive Directors	2.00	50.0%
	% Black Women Executive Directors	1.00	25.0%
	% Black Executive Management	2.00	60.0%
	% Black Women Executive Management	1.00	30.0%
	% Black People in Senior Management	2.00	60.0%
	% Black Women in Senior Management	1.00	30.0%
	% Black People in Middle Management	2.00	75.0%
	% Black Women in Middle Management	1.00	38.0%
	% Black People in Junior Management	1.00	88.0%
	% Black Women in Junior Management	1.00	44.0%
	Black People Living with Disabilities as a % of All Employees	2.00	2.0%
Skills Development	Skills Development Expenditure on Black People as a % of Leviable Amount	6.00	3.5%
	Skills Development Expenditure on Bursaries for Black Students at Higher Education Institutions as % of Leviable Amount	4.00	2.5%
	Skills Development on Black Employees with disabilities as a % of Leviable Amount	4.00	0.3%
	Black People Participating in Learnerships, Apprenticeships and Internships as a % of Total Employees	6.00	5.0%
	Bonus Point: Number of Black People Absorbed	5.00	100.0%
Enterprise and Supplier Development	Weighted BEE Procurement Expenditure - All Suppliers	5.00	80.0%
	Weighted BEE Procurement Expenditure - Qualifying Small Enterprises	3.00	15.0%
	Weighted BEE Procurement Expenditure - Exempted Micro Enterprises	4.00	15.0%
	Weighted BEE Procurement Expenditure - Suppliers that are at least 51% Black Owned	11.00	50.0%
	Weighted BEE Procurement Expenditure - Suppliers that are at least 30% Black Women Owned	4.00	12.0%
	Bonus Points: Procurement Expenditure from Designated Group Suppliers that are at least 51% Black Owned	2.00	2.0%
	Annual Value of all Supplier Development Contributions as a % of NPAT	10.00	2.0%
	Annual Value of all Enterprise Development Contributions as a % of NPAT	5.00	1.0%
	Bonus Point: Graduation	1.00	Yes
	Bonus Point: Creating Jobs	1.00	Yes
Socio-Economic Development	Annual Value of all Socio-Economic Development Contributions as a % of NPAT	5.00	1.0%

3. Scorecard Summary and Priority Elements:

CSG Holdings is classified as a Level 2 contributor towards Broad Based Black Economic Empowerment.

Description	Weighting	% Score for Indicator	Points	Priority Element Threshold Achieved
Overall BEE Score	111.00		95.83	
Equity Ownership	25.00	100.00%	25.00	Y
Management Control	19.00	61.67%	11.72	
Board and Other Executive Management	9.00	66.67%	6.00	
Employment Equity	10.00	57.17%	5.72	
Skills Development	20.00	59.61%	11.92	Y
Enterprise and Supplier Development	42.00	100.45%	42.19	
Preferential Procurement	27.00	85.88%	23.19	Y
Bonus Points	2.00	100.00%	2.00	
Supplier Development	10.00	100.00%	10.00	Y
Enterprise Development	5.00	100.00%	5.00	Y
Bonus Points	2.00	100.00%	2.00	
Socio-Economic Development	5.00	100.00%	5.00	



4.1 **Empowering Supplier Status:**

Yes

The Department of Trade and Industry issued Notice 708 of 2016 of Government Gazette No. 40375 on the 28th October 2016 regarding the application of the Empowering Supplier Status.

The recognition of empowering supplier status has been extended until further determination and any entity measured on or after 1 May 2016 will automatically be recognised as an Empowering Supplier until a further notice is issued.

CSG Holdings is an Empowering Supplier.

5. Sections :

5.1 Equity Ownership :

Necessary shareholding information that was found in the Measurement Information Pack, could be confirmed with the share certificate(s), share register(s) and/or other formal documentation.

Table 5.1.1: CSG Holdings Limited and Subsidiaries Shareholders:

Shareholder(s) Detail	% Share	% Voting Rights by Black People	% Economic Interest by Black People
Vuwa Investments (Pty) Ltd	0.11%	0.10%	0.10%
Vuwa Scaffolding (Pty) Ltd	8.86%	8.15%	8.15%
Barkomax (Pty) Ltd	9.24%	4.71%	4.71%
PSG Alpha Investments (Pty) Ltd- exited	0.00%	0.00%	0.00%
GemCap (Pty) Ltd	23.19%	22.74%	22.74%
Other Shareholders	58.58%	0.00%	0.00%
Paul Mabela	0.01%	0.01%	0.01%
Total	100.00%	35.73%	35.73%

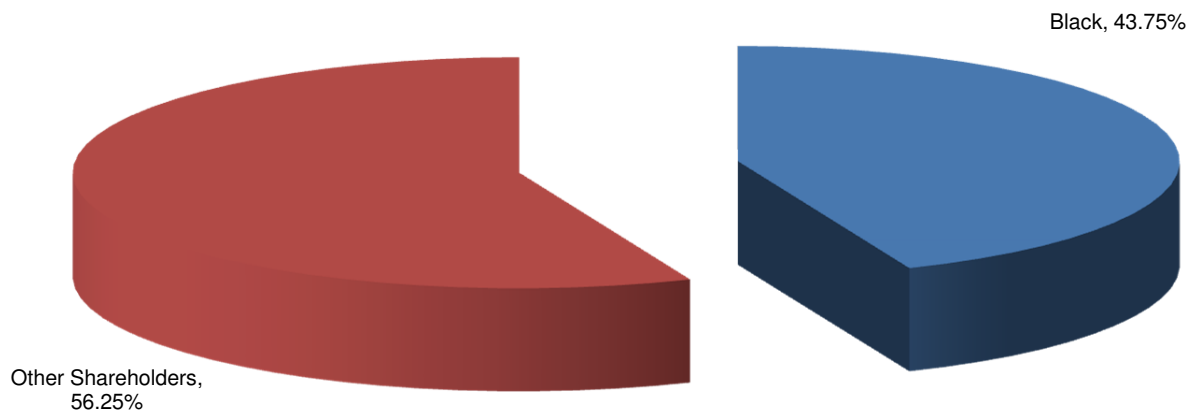
Table 5.1.2: CSG Holdings Limited and Subsidiaries Effective Black Shareholding

Description	%
Effective Black Economic Interest in Measured Entity using the Flow Through Principle	35.73%
Effective Black Economic Interest using the Recognition in the Sale of Shares (CC)	3.49%
Total Effective Black Economic Interest Measured Entity using the Flow Through Principle	39.22%
Effective Black Economic Interest calculated using the Modified Flow Through Principle	43.75%
Effective Black Voting Rights in Measured Entity using the Flow Through Principle	35.73%
Effective Black Voting Rights using the Recognition in the Sale of Shares (CC)	3.49%
Total Effective Black Voting Rights Measured Entity using the Flow Through Principle	39.22%
Effective Black Voting Rights calculated using the Modified Flow Through Principle	43.75%

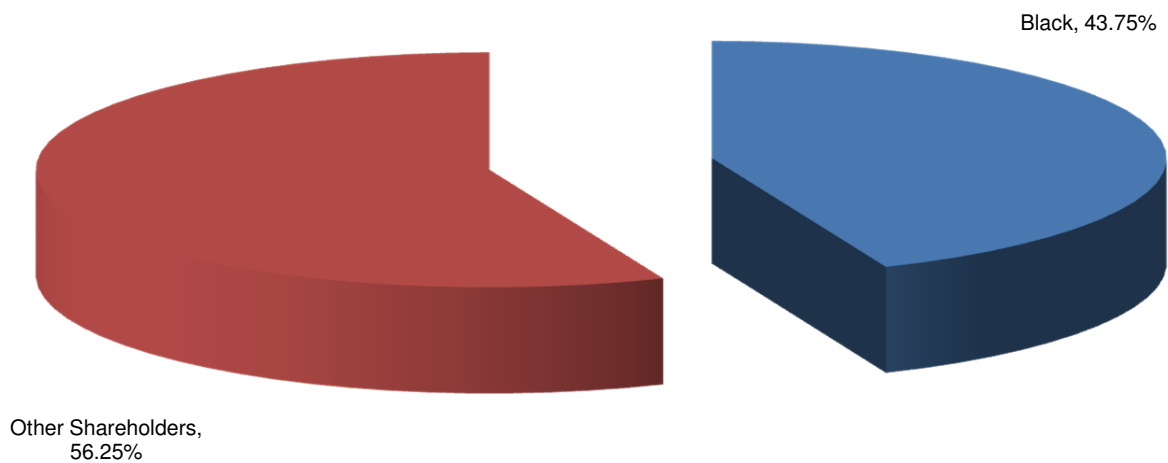
Table 5.1.3: Equity Ownership Scorecard

Indicator	Weight	Actual	Target	Result	Points
Exercisable Voting Rights by Black People	4.00	43.75%	25%+1	100.0%	4.00
Exercisable Voting Rights by Black Women	2.00	11.38%	10%	100.00%	2.00
Economic Interest to which Black People are entitled	4.00	43.75%	25%	100.00%	4.00
Economic Interest to which Black Women are entitled	2.00	11.38%	10%	100.00%	2.00
Economic Interest to which BDG's, EOS, BBOS and Co-op's are entitled	3.00	12.07%	3.0%	100.00%	3.00
Involvement in the ownership by Black New Entrants	2.00	15.42%	2.00%	100.00%	2.00
A - Net Value	8.00	39.22%	25%	100.00%	8.00
B - Economic Interest		39.22%	25%	100.00%	
Total	25.00				25.00

Economic Interest by Race



Voting Rights by Race



CSG Holdings contributes towards broad based black economic empowerment in terms of the equity ownership of the company.

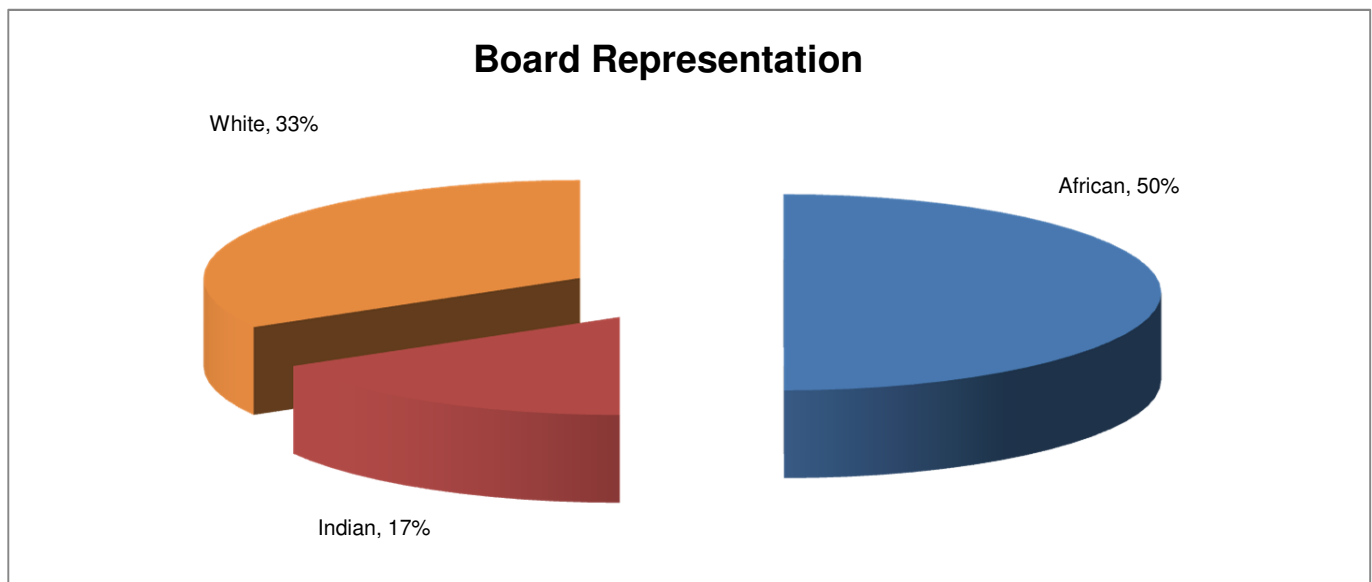
5.2 Management Control :

5.2.1 Board Representation and other Executive Management:

Table 5.2.1.1: Listing of Board of Directors and other Executive Management

Designation	Name	Race (A/I/C W/NSA)	Gender (M/F)	% Votes
Board Participation				
Executive Directors	JG Nieuwoudt	W	M	16.67%
	WE Scott	W	M	16.67%
Non-Executive Directors	BT Ngcuka	A	M	16.67%
	NN Sonjani	A	F	16.67%
	R Kisten	I	F	16.67%
	M Mokoka	A	F	16.67%
Other Executive Management				
Other Executive Management	S Kyriazis	I	F	

A = African, I = Indian, C = Coloured, W = White, NSA = Non-South African



Executive Directors Representation

White, 2



Other Executive Management Representation

Indian, 1



Table 5.2.1.2: Board Representation and other Executive Management: Scorecard

Measurement Category	Weight	Actual	Total in Cat	Target	Result	Points
% Exercisable Voting Rights of Black Board Members	2.00	66.7%	100%	50%	100%	2.00
% Exercisable Voting Rights of Black Women Board Members	1.00	50.0%	100%	25%	100%	1.00
% Black Executive Directors	2.00	-	2	50%	0%	-
% Black Women Executive Directors	1.00	-	2	25%	0%	-
% Black Executive Management	2.00	1.00	1	60%	100%	2.00
% Black Women Executive Management	1.00	1.00	1	30%	100%	1.00
Total	9.00					6.00

CSG Holdings contributes towards broad based black economic empowerment in terms of the board participation and other executive management of the company.

5.2.2 Employment Equity:

Table 5.2.2.1: Employment Equity

Occupational Level	Males					Females					Total
	African	Coloured	Indian	Non Black	Sub-Total	African	Coloured	Indian	Non Black	Sub-Total	
Top Management	-	-	-	2	2	-	-	1	-	1	3
Senior Management	15	-	3	58	76	10	3	4	31	48	124
Professionals, Specialists & Mid-Management	120	13	1	71	205	28	13	1	37	79	284
Skilled Workers, Supervisors & Junior Management	456	43	3	125	627	224	50	9	91	374	1,001
Semi-skilled & Discretionary Decision Making	3681	105	-	65	3851	1714	140	2	58	1,914	5,765
Unskilled	503	67	-	9	579	164	83	-	14	261	840
Total Employees	4775	228	7	330	5340	2140	289	17	231	2,677	8,017
Disabled	40	0	0	0	40	58	2	1	2	63	103

The EAP (Economically Active Population) target used for this verification was based on the 20th National EAP Targets as per annual CEE Report as provided by The Department of Labour. These racial demographics distribution are as follows:

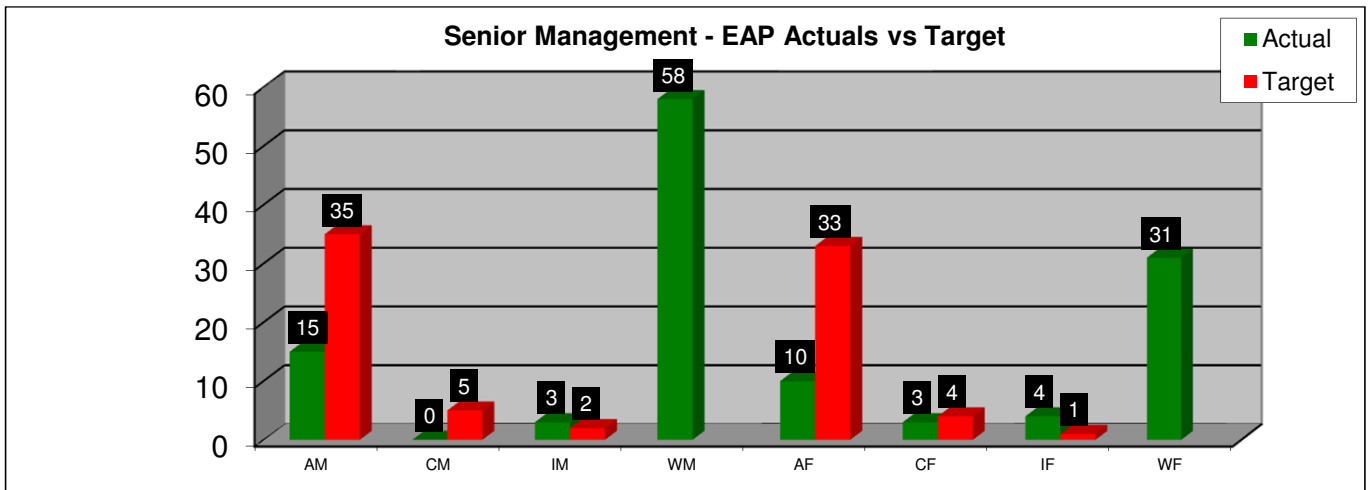
Table 5.2.2.2: EAP Targets

National EAP Targets as per annual CEE Report			
Race	Male	Female	Total
African	42.70%	36.20%	78.90%
Coloured	5.30%	4.40%	9.70%
Indian	1.70%	1.00%	2.70%
White	4.90%	3.80%	8.70%
Total	54.60%	45.40%	100.00%

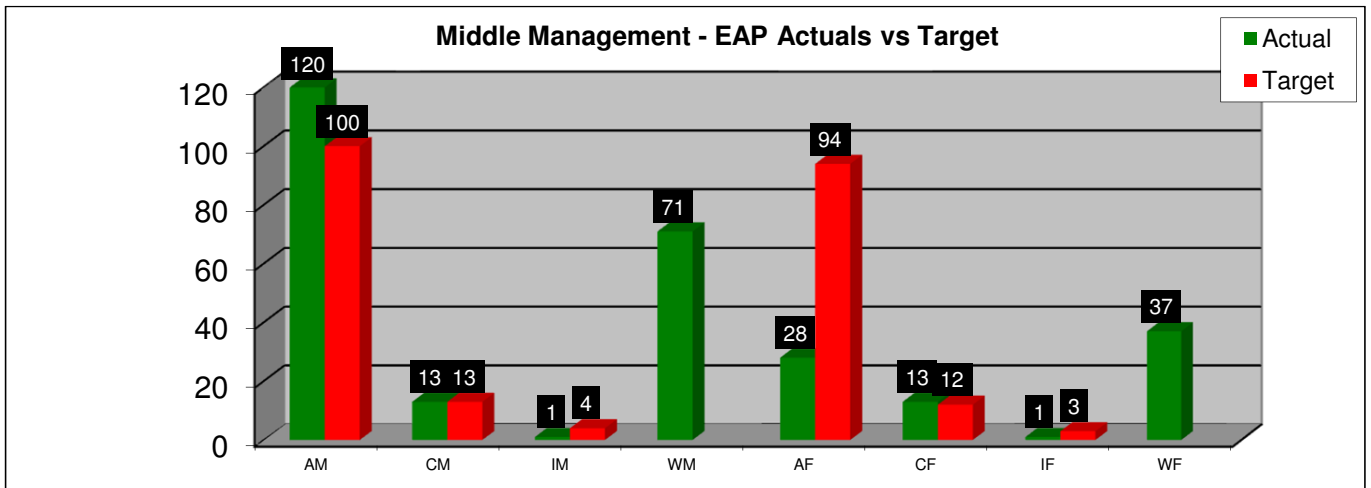
Table 5.2.2.3: Employment Equity Scorecard

Measurement Category	Weight	Actual	Total in Cat	Target	Result	Points
% Black People in Senior Management	2.00	30	124	60%	41%	0.81
% Black Women in Senior Management	1.00	14	124	30%	37%	0.37
% Black People in Middle Management	2.00	152	284	75%	71%	1.43
% Black Women in Middle Management	1.00	40	284	38%	37%	0.37
% Black People in Junior Management	1.00	733	1,001	88%	83%	0.83
% Black Women in Junior Management	1.00	280	1,001	44%	63%	0.63
Black People Living with Disabilities as a % of All Employees	2.00	101	8,017	2%	63%	1.26
Total	10.00					5.72

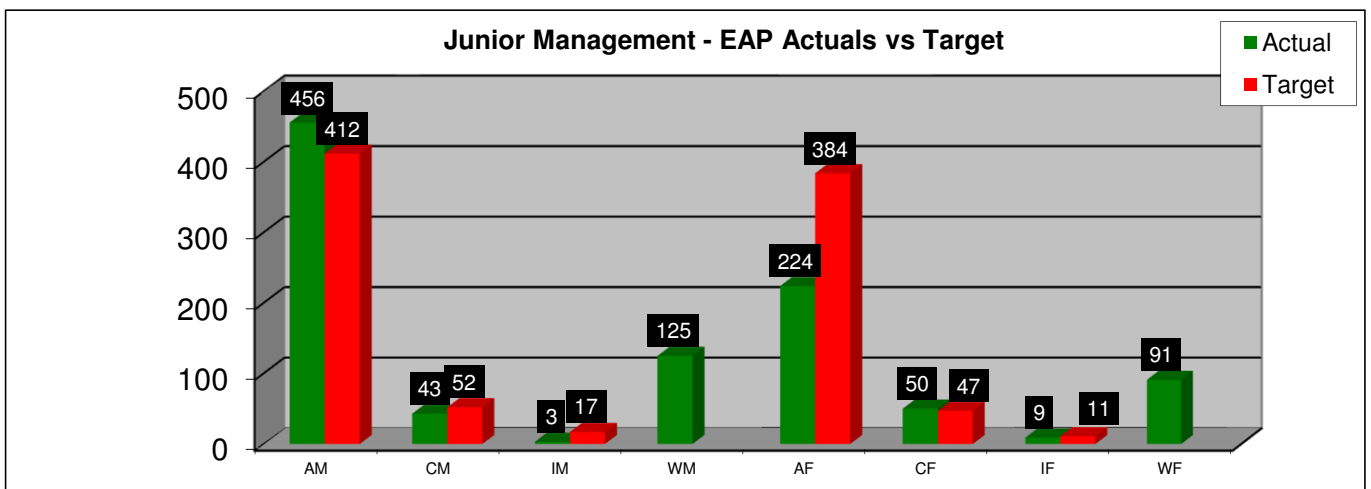
The representation of the various race groups in senior management against EAP targets is represented as follows:



The representation of the various race groups in middle management against EAP targets is represented as follows:



The representation of the various race groups in junior management against EAP targets is represented as follows:



CSG Holdings contributes towards broad based black economic empowerment in terms of the employment equity of the company.

5.3 Skills Development :

Skills Development Expenditure is classified in the categories listed in table 5.3.1 below. All categories are included for skills development expenditure in Rands but category F and G, accommodation, travel and catering is limited to 15% of overall spend. Categories B, C and D are included in the second section of the skills development scorecard measuring the number of learners in those categories.

Table 5.3.1: Learning Programme Matrix

Category	Narrative Description	Delivery Mode	Learning Site	Learning Achievement
A Bursaries	Institution-based theoretical instruction alone - formally assessed by the educational institutions, established by or registered with the Department of Basic Education or the Department of Higher Education & Training	Institutional Instruction	Universities and colleges, schools, ABET providers	Recognised theoretical knowledge resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning
B Internships	Institution-based theoretical instruction as well as some practical learning with an employer or in a simulated work environment - formally assessed by the institution	Mixed mode delivery with institutional instruction as well as supervised learning in an appropriate workplace or simulated work environment	Universities and colleges, schools, ABET providers and workplace	Theoretical knowledge and workplace experience with set requirements resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning
C Learnerships	Recognised or registered structured experiential learning in the workplace that is required after the achievement of a qualification - formally assessed by a statutory occupational or professional body	Structured learning in the workplace with mentoring or coaching	Workplace	Occupational or professional knowledge and experience formally recognised through registration or licensing
D Learnerships or Apprenticeships	Occupationally-directed instructional and work based learning programme that requires a formal contract - formally assessed by an accredited body	Institutional instruction together with structured, supervised experiential learning in the workplace	Institution and workplace	Theoretical knowledge and workplace learning, resulting in the achievement of a SAQA registered qualification, a certificate or similar occupational or professional qualification issued by an accredited or registered formal institution of learning
E Work-Integrated Learning	Occupationally-directed instructional and work based learning programme that does not require a formal contract - formally assessed by an accredited body	Structured, supervised experiential learning in the workplace which may include some institutional instruction	Workplace, institutional as well as ABET providers	Credits awarded for registered unit standards, continued professional development, improved performance or skills (e.g. Evidence of outputs based on Performance Development Programme)
F Informal Training	Occupationally-directed informal instructional programmes	Structured information sharing or direct instruction involving workshops, seminars, conferences and short courses	Institutions, conferences and meetings	Continuing professional development, attendance certificates and credits against registered unit standards (in some instances)
G Informal Training	Work-based informal programmes	Informal training	Workplace	Increased understanding of job or work context or improved performance and skills

The EAP (Economically Active Population) target used for this verification was based on the 20th National EAP Targets as per annual CEE Report as provided by The Department of Labour. These racial demographics distribution are as follows:

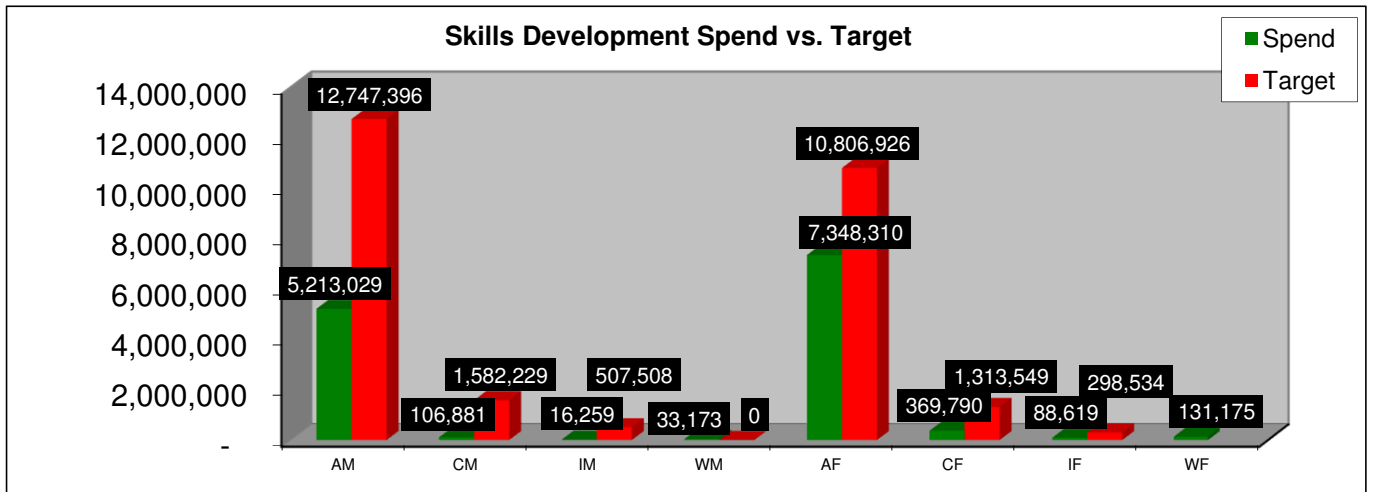
Table 5.3.2: EAP Targets

National EAP Targets as per annual CEE Report			
Race	Male	Female	Total
African	42.70%	36.20%	78.90%
Coloured	5.30%	4.40%	9.70%
Indian	1.70%	1.00%	2.70%
White	4.90%	3.80%	8.70%
Total	54.60%	45.40%	100.00%

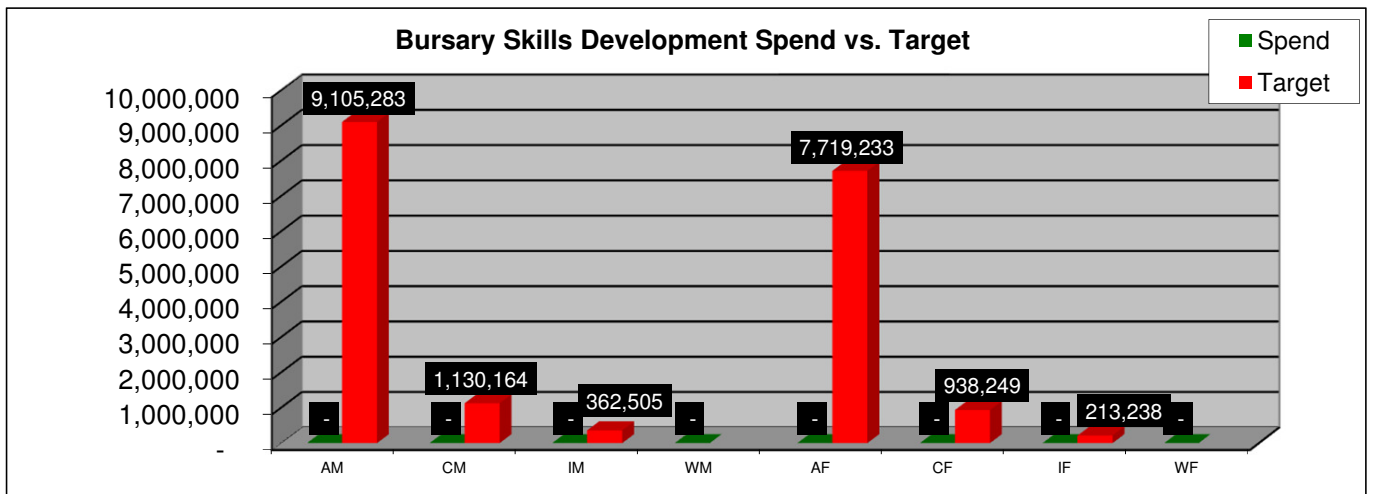
Table 5.3.3: Skills Development Scorecard

Measurement Category	Weight	Actual	Denominator	Target	Result	Points
Skills Development Expenditure on Black People as a % of Leivable Amount	6.00	13,142,889	778,746,908	3.50%	48.22%	2.89
Skills Development Expenditure on Bursaries for Black Students at Higher Education Institutions as % of Leivable Amount	4.00	-	778,746,908	2.50%	0.00%	-
Skills Development on Black Employees with disabilities as a % of Leivable Amount	4.00	4,396,062	778,746,908	0.30%	100.00%	4.00
Black People Participating in Learnerships, Apprenticeships and Internships as a % of Total Employees	6.00	335.94	8,017	5.00%	83.81%	5.03
Bonus Point: Number of Black People Absorbed	5.00	-	400.85	100.00%	0.00%	-
Total	20.00					11.92

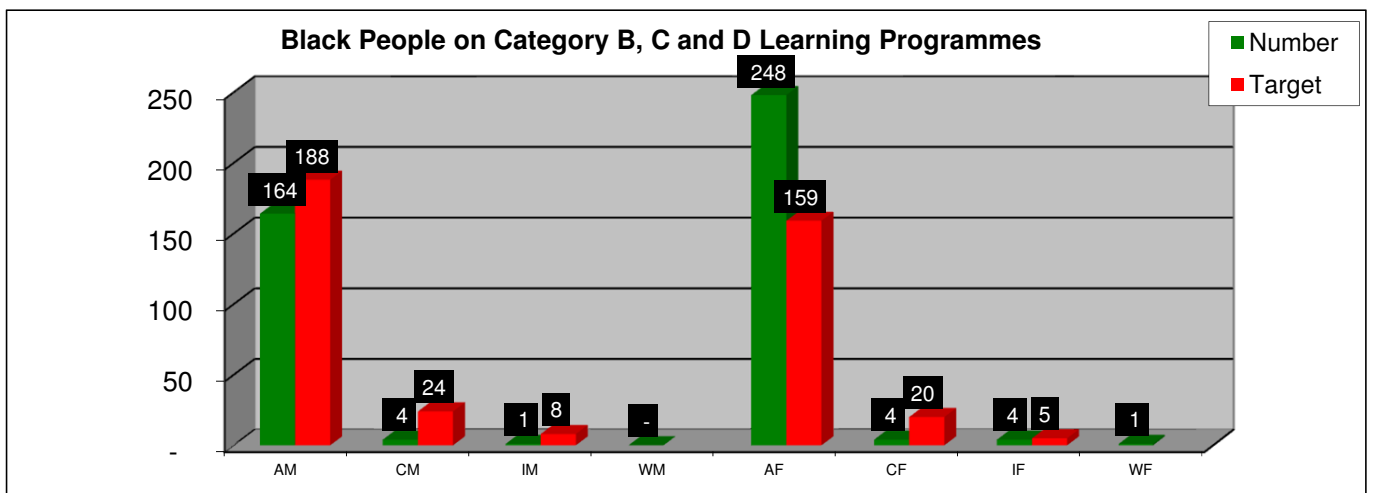
The allocation of skills development expenditure per race group against EAP target is represented by the following graph:



The allocation of bursary expenditure per indicator is represented by the following graph:



Of the total staff compliment of 8017, which forms the baseline, 425 black people on category B, C and D learning programmes were identified for the period under review. The allocation of race group against EAP target is represented below:



CSG Holdings contributes towards broad based black economic empowerment in terms of the skills development of the company.

5.4 Enterprise and Supplier Development

5.4.1 Preferential Procurement :

All goods and services procured by the measured entity, other than any portion specifically excluded is measurable in calculating the Total Measured Procurement Spend (TMPS). Table 5.4.1.1 lists the items included in TMPS and table 5.4.1.2 lists permissible exclusions.

The following procurement is measurable within Total Measured Procurement Spend:

Table 5.4.1.1: Total Measured Procurement Spend

Description
Cost of Sales
Operational Expenditure
Capital Expenditure
Public Sector Procurement: all goods and services procured from organs of state and public entities listed in schedules 2 and 3 to the Public Finance Management Act of 1998
Monopolistic Procurement: all goods and services procured from suppliers that enjoy a monopolistic position are included in TMPS. Only procurement for organs of state or public entities that enjoy a statutory or regulated monopoly as listed in table 4.5.1.2 may be excluded
Third Party Procurement: all procurement for a third party where the cost of that procurement is recorded as an expense in the measured entity's annual financial statements
Labour Brokers and independent contractors
Pension and medical aid contributions, excluding any portions of such payments which are a contribution to a capital investment of the employee
Trade Commissions
Imports other than those excluded under permissible exclusions in table 5.4.1.2
Intra-group procurement: except where the procuring entity and the supplying entity form part of the same verification certificate

The following lists the permissible exclusions from Total Measured Procurement Spend.

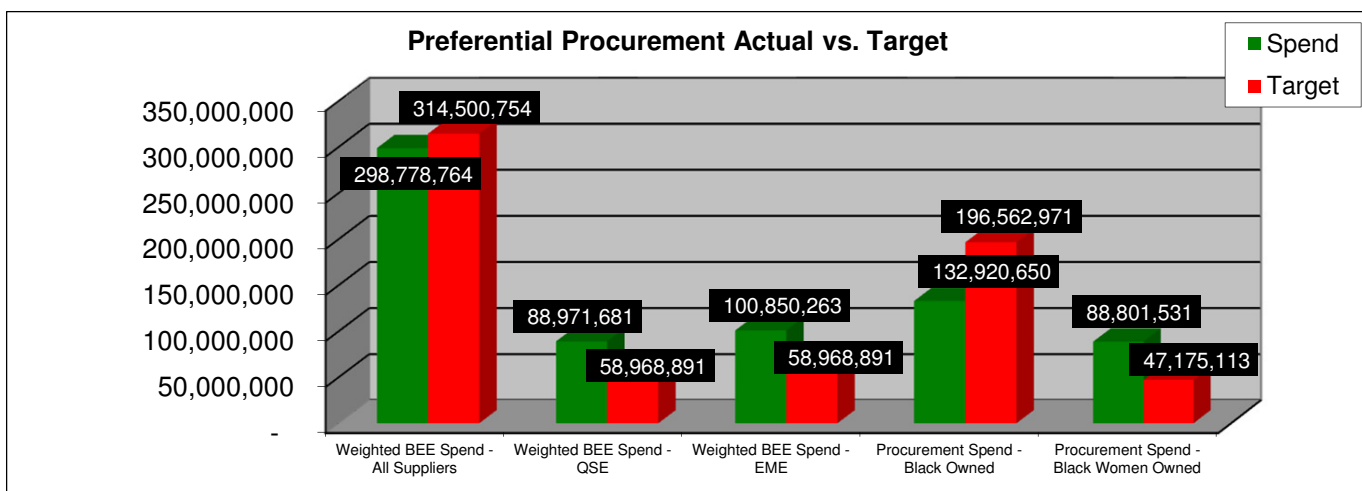
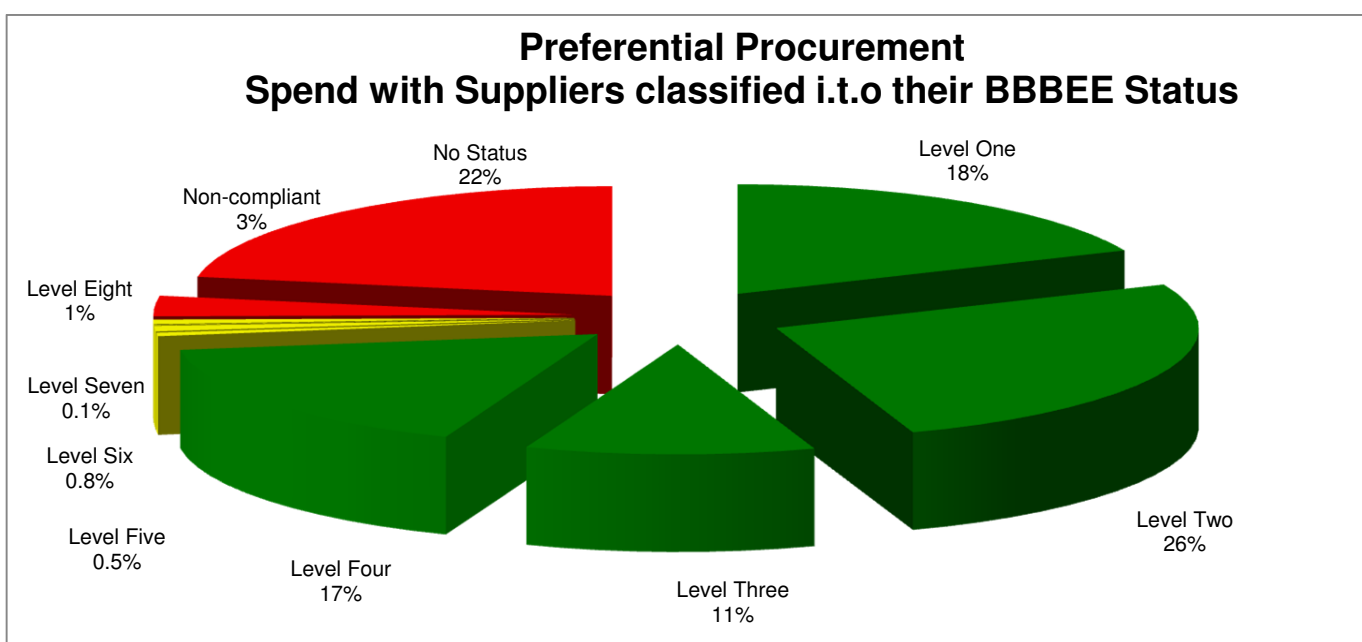
Table 5.4.1.2: Permissible Exclusions

Category	Description
A	Taxation
Public Sector Procurement	
B	All goods and services procured from organs of state and public entities listed in Schedule 1 of the PFMA Act of 1999
	All goods and services from any organ of state or public entity that enjoys a statutory or regulated monopoly
C	Salaries, wages, remunerations, and emoluments
D	Pass Through Third Party Procurement where such procurement is not recorded as an expense in the measured entity's annual financial statements
Empowerment Related Procurement	
E	Investments in or loans to an associated enterprise
	Investments, loans or donations qualifying for recognition under Enterprise Development or Socio-Economic Development
Imports	
F	Imported capital goods or components for value-added production in SA provided that there is no local production and that importing promotes further value-added production in SA
G	Imported goods and services which carry a different brand to the locally produced goods or services, provided that an Enterprise and Supplier Development Plan has been developed and implemented
H	Imported goods and services that have different technical specifications to the locally produced goods or services, provided that an Enterprise and Supplier Development Plan has been developed and implemented

The weighted BEE procurement spend constituted 92.82% of total measured procurement spend. The spend with suppliers in the different BBBEE status levels are listed below:

Table 5.4.1.3: Weighted BEE Procurement per Level

BBBEE Level	R Value	Recognition %	Weighted BEE Procurement	%
Level One	68,687,014	135%	101,295,951	18.5%
Level Two	97,349,016	125%	130,216,794	26.2%
Level Three	41,113,892	110%	45,626,982	11.1%
Level Four	62,540,272	100%	63,437,601	16.9%
Level Five	1,981,948	80%	1,611,484	0.5%
Level Six	3,014,391	60%	1,812,590	0.8%
Level Seven	188,516	50%	96,974	0.1%
Level Eight	2,467,075	10%	253,936.0	0.7%
Non-compliant	11,192,287	0%	-	3.0%
No Status	82,455,972	0%	-	22.2%
Total	370,990,383		344,352,312	100.0%



CSG Holdings contributes towards broad based black economic empowerment in terms of the preferential procurement of the company.

5.4.2 Supplier Development

Supplier Development means monetary or non-monetary contributions made to beneficiary entities, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries. Beneficiaries are classified as either EME's or QSE's with more than 51% Black Ownership. The Supplier Development type contributions are classified in table 5.4.2.1.

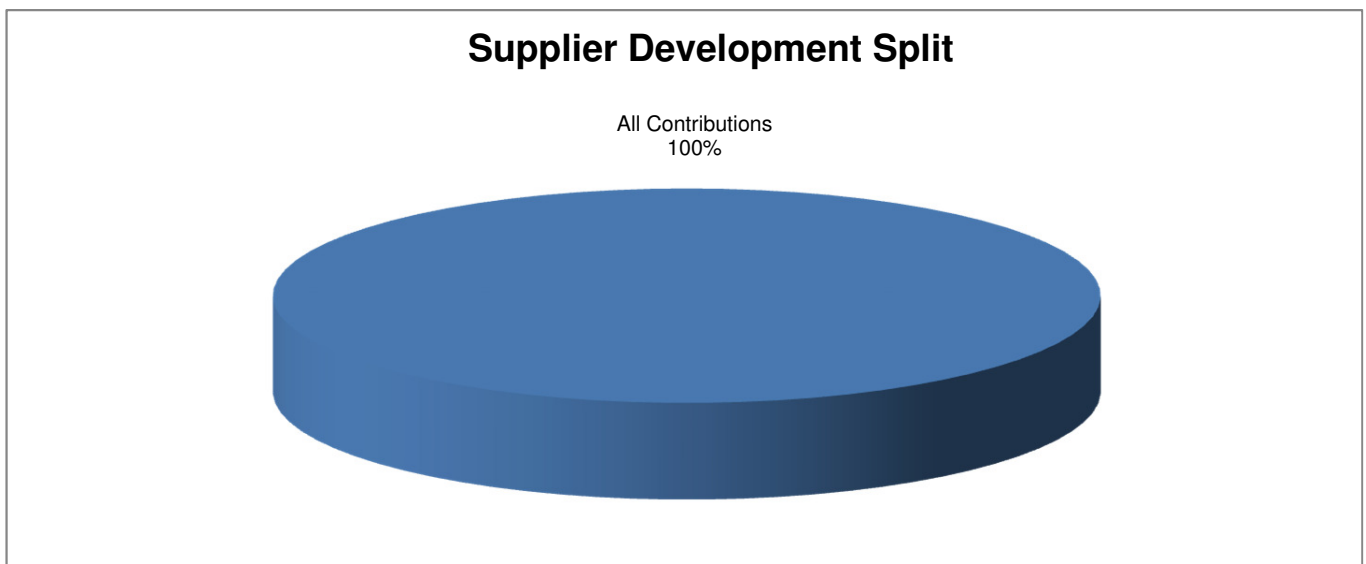
Table 5.4.2.1: Qualifying Contribution Types

Grant and Related Contributions	Equity Investments and Related Contributions
Grant Contribution	Minority Investment in Black Owned EME and QSE's
Direct Cost incurred	Minority Investment in other Enterprises
Discounts in addition to normal business practice	Enterprise Development Investment with lower dividend to Financier
Overhead Costs incurred	Contributions made in the form of Human Resource Capacity
Loans and Related Contributions	Professional Services Rendered at no cost
Interest Free Loan with no security requirements	Professional Services Rendered at a discount
Standard Loan to Black Owned EME and QSE's	Time of employees deployed in assisting beneficiaries
Standard Loan to other Beneficiaries	Other Contributions
Guarantees	Shorter payment periods (limited to 15% of points)
Lower Interest Rate	

The following Supplier development initiatives (monetary investments or quantifiable non-monetary support) were identified for the period under review at the time of the measurement.

Table 5.4.2.2: Supplier Development Contributions

Qualifying Contribution Type	Contribution
All Contributions	1,270,262
Total	1,270,262



CSG Holdings contributes towards broad based black economic empowerment in terms of the enterprise development of the company.

5.4.3 Enterprise Development

Enterprise Development means monetary or non-monetary contributions made to beneficiary entities, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries. Beneficiaries are classified as either EME's or QSE's with more than 51% Black Ownership. The Enterprise Development type contributions are classified in table 5.4.3.1

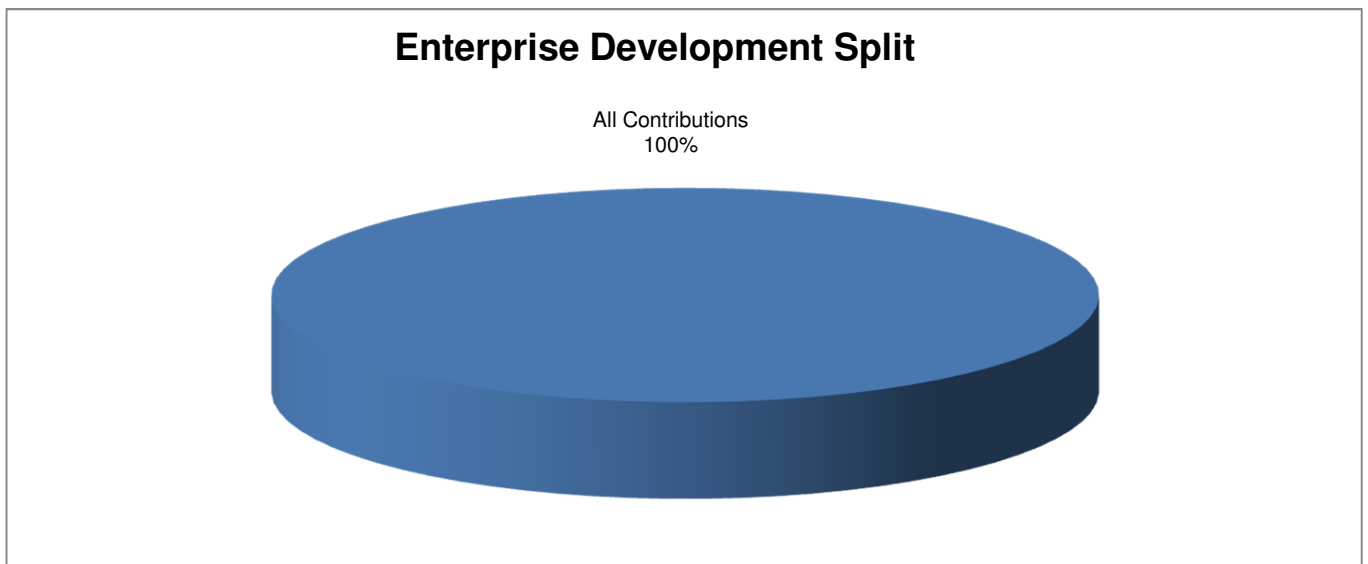
Table 5.4.3.1: Qualifying Contribution Types

Grant and Related Contributions	Equity Investments and Related Contributions
Grant Contribution	Minority Investment in Black Owned EME and QSE's
Direct Cost incurred	Minority Investment in other Enterprises
Discounts in addition to normal business practice	Enterprise Development Investment with lower dividend to Financier
Overhead Costs incurred	Contributions made in the form of Human Resource Capacity
Loans and Related Contributions	Professional Services Rendered at no cost
Interest Free Loan with no security requirements	Professional Services Rendered at a discount
Standard Loan to Black Owned EME and QSE's	Time of employees deployed in assisting beneficiaries
Standard Loan to other Beneficiaries	
Guarantees	
Lower Interest Rate	

The following Enterprise development initiatives (monetary investments or quantifiable non-monetary support) were identified for the period under review at the time of the measurement.

Table 5.4.3.2: Enterprise Development Contributions

Qualifying Contribution Type	Contribution
All Contributions	569,193
Total	569,193



CSG Holdings contributes towards broad based black economic empowerment in terms of the enterprise development of the company.

5.5 Socio-Economic Development:

Socio-Economic Development means monetary or non-monetary contributions actually initiated and implemented in favour of beneficiaries with the specific objective of facilitating access to the economy for those beneficiaries.

The full value of the contribution is recognisable if at least 75% of the value directly benefits black people, if it is less than 75% the % that benefits black people is recognisable. Programmes are classified in table 5.5.1 and Contributions Types in table 5.5.2

Table 5.5.1: Socio-Economic Development Programmes

Category	Description
A	Development Programmes for women, youth, people with disabilities, people living in rural areas
B	Support of healthcare and HIV/AIDS programmes
C	support for education programmes, resources and materials at primary, secondary and tertiary education level as well as bursaries and scholarships
D	Community training, skills development for unemployed people and adult basic education and training
E	Support of arts, cultural or sporting development programmes

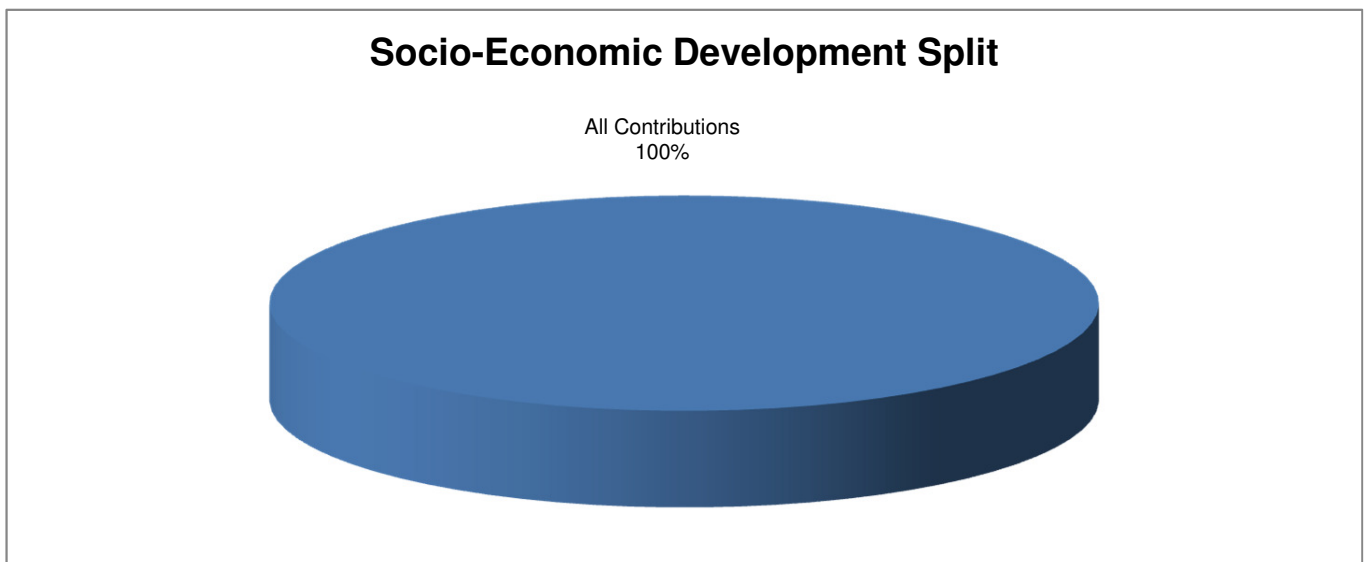
Table 5.5.2: Qualifying Contribution Types

Grant and Related Contributions	Contributions made in the form of Human Resource Capacity
Grant Contribution	Professional Services Rendered at no cost
Direct Cost incurred	Professional Services Rendered at a discount
Discounts in addition to normal business practice	Time of employees deployed in assisting beneficiaries
Overhead Costs incurred	

The following Socio-Economic Development initiatives were identified for the period under review.

Table 5.5.3: Socio-Economic Development Contributions

Initiative / Project	Contribution
All Contributions	605,782
Total	605,782



CSG Holdings contributes towards broad based black economic empowerment in terms of the Socio-Economic Development of the company.

Amended Codes - Generic BBBEE Profile

Broad Based Black Economic Empowerment Score
95.83 points - Level 2

Ownership 100%	Management Control 61.67%	Skills Development (Incl Bonus Points) 59.61%	Enterprise and Supplier Development 100.45%	Socio-Economic Development 100%
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Management Control 66.67%	Skills Development 59.61%	Preferential Procurement 85.88%
Employment Equity 57.17%	Supplier Development 100%	Enterprise Development 100%

Level 1	≥ 100 points
Level 2	≥ 95
Level 3	≥ 90
Level 4	≥ 80
Level 5	≥ 75
Level 6	≥ 70
Level 7	≥ 55
Level 8	≥ 40
Non-Compliant	< 40

Priority Elements	
Net Value	Y
Skills Development	Y
Preferential Procurement	Y
Supplier Development	Y
Enterprise Development	Y

Amended Codes - Generic Scorecard

Objective	Indicator	Weight	Actual Value	Actual Base	Target	Result	Points
Broad Based Black Economic Empowerment Contribution		111.0					95.83
Objective : Ownership		25.00				100.00%	25.00
Equity Ownership	Exercisable Voting Rights by Black People	4.00	43.75%	100.00%	25%+1	100.00%	4.00
	Exercisable Voting Rights by Black Women	2.00	11.38%	100.00%	10.00%	100.00%	2.00
	Economic Interest to which Black People are entitled	4.00	43.75%	100.00%	25.00%	100.00%	4.00
	Economic Interest to which Black Women are entitled	2.00	11.38%	100.00%	10.00%	100.00%	2.00
	Economic Interest to which BDG's, EOS, BBOS and Co-op's are entitled	3.00	12.07%	100.00%	3.00%	100.00%	3.00
	Involvement in the ownership by Black New Entrants	2.00	15.42%	100.00%	2.00%	100.00%	2.00
	A - Net Value	8.00	39.22%	100.00%	25.00%	100.00%	8.00
	B - Economic Interest		39.22%	100.00%	25.00%	100.00%	
Objective : Management Control		19.00				61.67%	11.72
Objective: Board Participation and Other Executive Management		9.00				66.67%	6.00
Management Control	% Exercisable Voting Rights of Black Board Members	2.00	66.67%	100.00%	50.00%	100.00%	2.00
	% Exercisable Voting Rights of Black Women Board Members	1.00	50.00%	100.00%	25.00%	100.00%	1.00
	% Black Executive Directors	2.00	-	2	50.00%	0.00%	-
	% Black Women Executive Directors	1.00	-	2	25.00%	0.00%	-
	% Black Executive Management	2.00	1	1	60.00%	100.00%	2.00
	% Black Women Executive Management	1.00	1	1	30.00%	100.00%	1.00
Objective : Employment Equity		10.00				57.17%	5.72
Employment Equity	% Black People in Senior Management	2.00	30.20	124	60.00%	40.59%	0.81
	% Black Women in Senior Management	1.00	13.89	124	30.00%	37.35%	0.37
	% Black People in Middle Management	2.00	152.25	284	75.00%	71.48%	1.43
	% Black Women in Middle Management	1.00	40.41	284	38.00%	37.45%	0.37
	% Black People in Junior Management	1.00	733.43	1,001	88.00%	83.26%	0.83
	% Black Women in Junior Management	1.00	279.59	1,001	44.00%	63.48%	0.63
	Black People Living with Disabilities as a % of All Employees	2.00	101.00	8,017	2.00%	62.99%	1.26

Amended Codes - Generic Scorecard

Objective	Indicator	Weight	Actual Value	Actual Base	Target	Result	Points
Objective : Skills Development		20.00				59.61%	11.92
Skills Development	Skills Development Expenditure on Black People as a % of Leviale Amount	6.00	13,142,889	778,746,908	3.50%	48.22%	2.89
	Skills Development Expenditure on Bursaries for Black Students at Higher Education Institutions as % of Leviale Amount	4.00	-	778,746,908	2.50%	0.00%	-
	Skills Development on Black Employees with disabilities as a % of Leviale Amount	4.00	4,396,062	778,746,908	0.30%	100.00%	4.00
	Black People Participating in Learnerships, Apprenticeships and Internships as a % of Total Employees	6.00	335.94	8,017	5.00%	83.81%	5.03
	Bonus Point: Number of Black People Absorbed	5.00	-	401	100%	0.00%	-
Objective: Enterprise and Supplier Development		42.00				100.45%	42.19
Objective : Preferential Procurement		27.00				93.29%	25.19
Preferential Procurement	Weighted BEE Procurement Expenditure - All Suppliers	5.00	298,778,764	393,125,943	80.00%	95.00%	4.75
	Weighted BEE Procurement Expenditure - Qualifying Small Enterprises	3.00	88,971,681	393,125,943	15.00%	100.00%	3.00
	Weighted BEE Procurement Expenditure - Exempted Micro Enterprises	4.00	100,850,263	393,125,943	15.00%	100.00%	4.00
	Weighted BEE Procurement Expenditure - Suppliers that are at least 51% Black Owned	11.00	132,920,650	393,125,943	50.00%	67.62%	7.44
	Weighted BEE Procurement Expenditure - Suppliers that are at least 30% Black Women Owned	4.00	88,801,531	393,125,943	12.00%	100.00%	4.00
	Bonus Points: Procurement Expenditure from Designated Group Suppliers that are at least 51% Black Owned	2.00	52,593,924	393,125,943	2.00%	100.00%	2.00
Objective : Enterprise and Supplier Development		15.00				113.33%	17.00
Enterprise and Supplier Development	Annual Value of all Supplier Development Contributions as a % of NPAT	10.00	1,270,262	29,252,000	2.00%	100.00%	10.00
	Annual Value of all Enterprise Development Contributions as a % of NPAT	5.00	569,193	29,252,000	1.00%	100.00%	5.00
	Bonus Point: Graduation	1.00	Yes	Yes	Yes	100.00%	1.00
	Bonus Point: Creating Jobs	1.00	Yes	Yes	Yes	100.00%	1.00
Objective : Socio Economic Development		5.00				100.00%	5.00
Socio-Economic Development	Annual Value of all Socio-Economic Development Contributions as a % of NPAT	5.00	605,782	29,252,000	1.00%	100.00%	5.00