

APPEALS PROCEDURE: SIZWENTSALUBAGOBODO GRANT THORNTON EAST LONDON SERVICES CC

1. Scope

This procedure covers the process to be followed in the event of a client wishing to appeal against the outcome of a B-BBEE verification rating conducted by SizweNtsalubaGobodo (SNG) Grant Thornton East London Services CC.

2. Purpose

The purpose of this procedure is to ensure that appeals are dealt with quickly and fairly.

3. Responsibility and Authority

The office of the Business Leader shall be responsible for the management and outcome of an appeal and the authority to confirm, review or amend the original outcome and/or scores of a B-BBEE rating.

4. Procedure

4.1 Application for and Validation of an Appeal:

4.1.1 Within 5 working days for Broad Based Clients and 3 working days for QSEs from the date on which it received the B-BBEE Ratings decision, a client may appeal to the Managing Member of SNG Grant Thornton East London Services CC if it is dissatisfied with the B-BBEE ratings decision.

4.1.2 The Appeal Application should contain sufficient information to validate the grounds for the appeal. Such information must include:

4.1.2.1 **Issues:** Precise identification of the issues being appealed. Issues could include interpretations of the B-BBEE Act, the Codes or information from the client; calculation of scores for an element, sub-element or the final score; on site assessment procedures, etc.;

4.1.2.2 **Grounds:** The detailed grounds of appeal in respect of each issue being appealed. Grounds could include an incorrect interpretation of the Codes or misunderstanding of a client document such as a shareholders agreement; an incorrect calculation of a score; an incomplete assessment of the client's employee composition for employment equity purpose, etc.;

- 4.1.2.3 **Supporting documents:** Documents which are relevant to the issues and grounds of appeal; written statements by management, staff or advisors appointed by the client to assist with the appeal;
- 4.1.2.4 **Desired outcome:** The appeal must describe the desired outcome of the appeal.
- 4.1.3 If the appeal is based on evidence that was not taken into account by the analyst, then such evidence must be included;
- 4.1.4 The client must provide proof that the evidence was submitted to SNG Grant Thornton East London Services CC;
- 4.1.5 The Managing Member or a person¹ nominated by him (“the nominee”) must review the application and advise the client within 5 working days whether the application contains sufficient information to validate the grounds for the appeal and, if not, what further information is required. If necessary, the Managing Member may require the client’s authorised representative to validate the appeal at an informal hearing.
- 4.1.6 Within 5 working days on receipt of the Managing Member’s request, the client must furnish SNG Grant Thornton East London Services CC with the further information requested. If the client fails to do so, the Managing Member may dismiss the appeal.
- 4.1.7 As soon as the Managing Member is satisfied that he has sufficient information to validate the grounds for the appeal, he will notify the client, in writing, that the appeal has been accepted and will be investigated.

4.2 Investigating An Appeal:

- 4.2.1 The Managing Member or the nominee must investigate the appeal within 10 working days of informing the client that the appeal has been accepted.
- 4.2.2 In coming to a decision on the outcome of the appeal, the Managing Member or the nominee will take account of the following:
- 4.2.2.1 The information provided by the client for validating the appeal.
- 4.2.2.2 The agreement between SNG Grant Thornton East London Services CC and the client, including the Annexures.
- 4.2.2.3 The information provided by the client in the B-BBEE Measurement Form.
- 4.2.2.4 The analyst’s Preliminary Report and Rating.

¹ Who must be a person other than the analyst or Verification Manager who participated in the verification process.

- 4.2.2.5 The Verification Manager's report on the Preliminary Report and Rating.
- 4.2.2.6 Any information or comment provided by the client on the Preliminary Report and Rating.
- 4.2.2.7 Any objections lodged by the client regarding the Preliminary Report and Rating.
- 4.2.2.8 The Final Report and Scorecard.
- 4.2.2.9 Any complaints lodged by the client during the verification process.
- 4.2.3 The Managing Member or the nominee may engage with the analyst, or the Verification Manager appointed to conduct the assessment and verification of the client's B-BBEE status.
- 4.2.4 In the event of a dispute of fact arising during the course of the investigation between the client, on the one hand, and the analyst and/or Verification manager on the other, the Managing Member or the nominee shall constitute a fact-finding appeal hearing in order to resolve the dispute on a balance of probabilities.
- 4.2.5 Throughout the process, the Managing Member or the nominee will provide the client with progress reports.

4.3 Action to be Taken:

At the end of the investigation, the Managing Member or nominee may:

- 4.3.1 Confirm the B-BBEE Ratings decision.
- 4.3.2 Re-rate the client on the basis of the information obtained during the investigation.
- 4.3.3 Appoint a new Verification Analyst and/or Verification Manager to perform the verification exercise afresh at no cost to the client.

4.4 Notice of the Outcome to the Client:

As soon as the Managing Member or the nominee has made the decision on the application, which must be made within 25 working days from the date on which the appeal was lodged, he/she must notify the client in writing regarding the outcome of the appeal.

4.5 Tracking and Recording Appeals:

All stages in the process all information, documents and records related to the appeal will be recorded in SNG Grant Thornton East London Services CC management system as the process progresses for security and confidentiality purposes and for the purposes of tracking the appeal.

4.6 Valid Appeal:

4.6.1 Should the complaint be valid, the Managing Member will complete a Non-Conformance, Corrective Action and Clearance Report, and raise the complaint as a Non-Conformance.

4.6.2 Managing Corrective Action Procedure will then be followed, to prevent any re-occurrence of the same complaint or similar complaints.

4.7 Records

SNG Grant Thornton East London Services CC will keep the records of all appeals, as well as the remedial actions that SNG Grant Thornton East London Services CC has taken.

5. Records

| Record | Responsibility | Minimum Retention Period | Disposal |
|--------------------------------------|-----------------|--------------------------|----------|
| Verified Entities Files (hard copy) | Managing Member | 2 years | Destroy |
| Verified Entities Files (electronic) | Managing Member | 2 years | Destroy |
| Original Invalid Documents | Managing Member | 2 years | Destroy |