

WACKRILL POOLE

CHARTERED ACCOUNTANTS (S.A.)

376 Coucal's Nest, Featherbrooke Estate, 1739 | P.O. Box 736, Featherbrooke Estate, 1746
Telephone: (011) 781-2505 | Fax: 086 689 9451 | E-mail: wackrill@global.co.za
Practice Number: 907294E

Broad-Based Black Economic Empowerment Verification Certificate

GUVON OPERATIONS (PTY) LTD

Trading as: Glenburn Lodge & Umbhaba Lodge

Certificate No: 00429/B-BBEE/GENERIC/TOURISM/2016

Registration Number: 1986/004800/07 | Vat Number: 4210164333

Head Office Location: 1 Bosbok Road, Randpark Ridge Ext 58

Verification standard applied : **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 : **Generic Enterprise – Tourism Sector Charter**
Size of the enterprise : **(>R35 million annual turnover)**

ELEMENT	WEIGHTING	SCORE
Ownership	15	-
Management Control	14	2.92
Employment Equity	14	11.76
Skills Development	20	18.00
Preferential Procurement	15	12.57
Enterprise Development	14	14.00
Socio-Economic Development	8	6.00
Overall Score	100	65.25

Broad Based BEE status level : **A level 4 contributor to B-BBEE**
BEE procurement recognition level : **100.00%**
Black Ownership : **0.00%**
Black Women Ownership : **0.00%**
Value Adding Supplier (Yes/No) : **Yes**

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 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 independent limited assurance report dated 19 April 2016 is available for inspection at the registered office of Guvon Operations (Pty) Ltd together with the accompanying 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 that may not be complete in all respects. We do not accept or assume responsibility to anyone other than the directors of Guvon Operations (Pty) Ltd, for our work, for this report, or for the conclusion we have reached.

R Clark CA (SA)

B-BBEE Approved Auditor Registration No.: 881465B

IRBA B-BBEE Approved Registered Auditor

Approved by IRBA to conduct Assurance Engagements on B-BBEE Verification Certificates

Date of issue: 19 April 2016

Period of validity: 12 Months

Expiry date: 18 April 2017

Name of measured entity: Guvon Operations (Pty) Ltd
Certificate Number: 0429/B-BBEE/GENERIC/TOURISM/2016
B-BBEE Approved Registered Auditor: Ramona Clark CA (SA)
B-BBEE Approved Registered Auditor Registration No.: 881465B

Expiry Date: 11 April 2017

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

To the shareholders of Glenburn Lodge (Pty) Ltd

We have undertaken a limited assurance engagement on the B-BBEE Status as at 30 September 2015, as set out on page 1 of the Broad-Based Black Economic Empowerment ("B-BBEE") Verification Certificate of Guvon Operations (Pty) Ltd (the "Certificate"), and the Scorecard as set out on pages 3 to 5 of the Certificate. We clarify that our engagement is on the basis of information provided by management and may not be complete in all respects.

Directors' responsibility

The directors 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 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) 3002: 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 relevant Codes. 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, 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 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").

Restriction on liability

Our engagement has been undertaken so that we might report to the shareholders of Guvon Operations (Pty) Ltd in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than the directors of Guvon Operations (Pty) Ltd, for our work, for this report, or for the conclusion we have reached.


R. Clark CA (SA)

B-BBEE Approved Auditor Registration No.: 881465B

IRBA B-BBEE Approved Registered Auditor

Approved by IRBA to conduct Assurance Engagements on B-BBEE Verification Certificates

Date of issue: 19 April 2016

Name of measured entity: Guvon Operations (Pty) Ltd
Certificate Number: 0429/B-BBEE/GENERIC/TOURISM/2016
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B-BBEE Approved Registered Auditor Registration No.: 881465B

Expiry Date: 18 April 2017

CODE SERIES 100 : MEASUREMENT OF THE OWNERSHIP ELEMENT OF B-BBEE					
Weighting points	Category	Ownership	Weighting points	Compliance target	Score
15 points	Voting rights	Exercisable Voting Rights in the Enterprise in the hands of black people	7	21%+ 1	-
	Economic Interest	Economic Interest of black people in the Enterprise	8	21%	-
	Total		15		-

CODE SERIES 200: MEASUREMENT OF THE MANAGEMENT CONTROL ELEMENT FOR B-BBEE					
Weighting points	Category	Management control	Weighting points	Compliance targets	Score
14 points	Board participation	Exercisable Voting Rights in the Enterprise in the hands of black people	3.5	50%	-
		Black Executive Directors using the Adjusted Recognition for Gender	3.5	50%	-
	Top Management	Black Senior Top Management using the Adjusted Recognition for Gender	7	40%	2.92
		Black Other Top Management using the Adjusted Recognition for Gender	0	40%	-
1 point	Bonus points:	Black Independent Non-Executive Board Members	1	40%	-
	Total		15		2.92

CODE SERIES 300: MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT OF B-BBEE					
Weighting points	Category	Employment Equity	Weighting points	Compliance Targets	Score
14 points	Senior Management	Black employees in Senior Management as a percentage of all such employees using the adjusted recognition for gender	4	43%	2.33
	Middle Management	Black employees in Middle Management as a percentage of all such employees using the adjusted recognition for gender	4	63%	3.97
	Junior Management	Black employees in Junior Management as a percentage of all such employees using the adjusted recognition for gender	4	68%	4.00
	Disabled Employees	Black Employees of the measured entity who are disabled employees as a percentage of all employees using the adjusted recognition for gender	2	2%	1.46
3 points	Bonus points	Bonus point for meeting or exceeding the EAP targets in each category	3	Formula	-
	Total		17		11.76

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CODE SERIES 400: MEASUREMENT OF THE SKILLS DEVELOPMENT ELEMENT OF B-BBEE					
Weighting points	Category	Skills Development	Weighting points	Compliance Target	Score
20 points	Skills Development expenditure	Skills Development Expenditure on Learning Programmes specified in the Learning Programmes Matrix for black employees for black employees as a percentage of Leivable Amount using the adjusted recognition for gender	8	3%	8.00
		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	2	0.3%	-
	Learnerships	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	10	5%	10.00
	Total		20		18.00

CODE SERIES 500: MEASUREMENT OF THE PREFERENTIAL PROCUREMENT ELEMENT OF B-BBEE					
Weighting points	Category	Preferential Procurement	Weighting points	Compliance Target	Score
15 points	All suppliers	B-BBEE Procurement Spend from all Suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	10	70%	10.00
	QSEs and EMEs	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	2	15%	2.00
	Black Owned Suppliers 30% Black Woman Owned Suppliers	B-BBEE Procurement Spend on any of the following suppliers as a percentage of total measured procurement spend: <ul style="list-style-type: none"> Suppliers that are more than 50% Black Owned (60% of points) Suppliers that are more than 30% Black Woman Owned (40% of points) 	1.8	9%	0.44
			1.2	6%	0.13
	Total		15		12.57

CODE SERIES 600: MEASUREMENT OF THE ENTERPRISE DEVELOPMENT ELEMENT OF B-BBEE					
Weighting points	Enterprise Development		Weighting points	Compliance Target	Score
14 points	Average annual value of all Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target. Enhanced recognition provided for: <ul style="list-style-type: none"> Enterprise development spend on black tourism SMMEs 1.25 Contributions made towards B-BBEE verification of tourism SMMEs 1.25 		14	3% of NPAT	14.00

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CODE SERIES 700: MEASUREMENT OF THE SOCIAL DEVELOPMENT AND SECTOR SPECIFIC ELEMENT OF B-BBEE				
Weighting points	Social Economic Development	Weighting points	Compliance Target	Score
8 points	Average annual value of all Socio-Economic Development contributions by the Measured Entity measured as a percentage of the target	3	1% of NPAT	3.00
	Percentage of black new recruits with no prior work experience as a percentage of all new recruits, adjusted using the recognition factor for gender	2	10%	-
	Status of TOMSA levy collector	3		3.00
	Total	8		6.00

B-BBEE Status and Procurement Recognition Levels		
B-BBEE Status	Qualification	B-BBEE Recognition Level
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%
Level 9/ Non-compliant	= < 30 points	0%