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# Broad-Based Black Economic Empowerment Verification Certificate

Entity Name: **Assa Abloy SA (Pty) Ltd**

Certificate No: **GEN/28/10/2016/24689**

Type of Entity: **Private Company**

Registration No: **1971/008368/07**

VAT No: **4270120779**

Postal Address: **PO Box 146, Technicon, Roodepoort, 1725**

Physical Address: **176 Progress Road, Technicon, Roodepoort, 1724**

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

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 (>R35 million)**

ELEMENT	WEIGHTING	SCORE
Ownership	20	0.00
Management	10	1.92
Employment Equity	15	2.06
Skills Development	15	6.13
Preferential Procurement	20	15.60
Enterprise Development	15	0.00
Socio-Economic Development	5	5.00
<b>OVERALL SCORE</b>	<b>100</b>	<b>30.71</b>

Broad Based BEE status level

**Level 8**

Black Ownership **0%**

BEE procurement recognition level

**10%**

Black Women Ownership **0%**

Value Adding Supplier

**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 B-BBEE 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. 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 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 28 October 2016, 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.

Date of issue: **28 October 2016**

B-BBEE Approved Registered Auditor: **Scha van Niekerk CA(SA)**

Expiry Date: **27 October 2017**

B-BBEE Approved Registered Auditor Registration Nr: **770825B**

Period of validity: **12 Months**

Date of Issue: 28 October 2016

ASSA ABLOY SA (PTY) LTD

Certificate Number: GEN/28/10/2016/24689

Expiry Date: 27 October 2017

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

### To the director(s) of Assa Abloy SA (Pty) Ltd

We have completed our limited assurance engagement on the B-BBEE Status as at 28 October 2016, as set out on page 1 of the Broad-Based Black Economic Empowerment ("B-BBEE") Verification Certificate of Assa Abloy 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 Codes of Good Practice 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 either the Codes of Good Practice or Relevant Sector Code gazetted on 9 February 2007 in terms of the B-BBEE Act. 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 and any relevant Industry Charter. 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 Codes of Good Practice.

**Date of Issue: 28 October 2016**

**ASSA ABLOY SA (PTY) LTD**

**Certificate Number: GEN/28/10/2016/24689**

**Expiry Date: 27 October 2017**

#### **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 DTI 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 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.



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**B-BBEE Approved Registered Auditor: Scha van Niekerk CA(SA)**

**B-BBEE Approved Registered Auditor Registration Nr: 770825B**

Date of Issue: 28 October 2016

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

<b>CODE SERIES 100: MEASUREMENT - OWNERSHIP ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
Criteria	Points	Target	Actual	Score
Exercisable Black Voting Rights	3.00	25%+1 Vote	0.00%	0.00
Exercisable Black Women Voting Rights	2.00	10.00%	0.00%	0.00
Economic interest - black people	4.00	25.00%	0.00%	0.00
Economic interest - black women	2.00	10.00%	0.00%	0.00
Economic interest - Black Designated Groups & ESOPs, Broad-based Schemes / Co-ops	1.00	2.50%	0.00%	0.00
Ownership Fulfilment	1.00	Yes/No	No	0.00
Net Equity Value	7.00	formula	0.00	0.00
Bonus				
Ownership by Black New Entrants	2.00	10.00%	0.00%	0.00

<b>CODE SERIES 200: MEASUREMENT - MANAGEMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
Criteria	Points	Target	Actual	Score
Exercisable Voting Rights	3.00	50.00%	0.00%	0.00
Black Executive Directors	2.00	50.00%	0.00%	0.00
Black Senior Top Management	5.00	40.00%	15.38%	1.92
Black Other Top Management	0.00	40.00%	0.00%	0.00
Bonus: Black Independent Non Exec Directors	1.00	40.00%	0.00%	0.00

<b>CODE SERIES 300: MEASUREMENT - EMPLOYMENT EQUITY ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
Criteria	Points	Target	Actual	Score
Black Senior management % - gender adjusted	5.00	60.00%	0.00%	0.00
Black Middle management % - gender adjusted	4.00	75.00%	0.00%	0.00
Black Junior management % - gender adjusted	4.00	80.00%	41.24%	2.06
Black disabled employees % - gender adjusted	2.00	3.00%	0.00%	0.00
Bonus: Exceeding EAP Target	3.00	Yes	formula	0.00

<b>CODE SERIES 400: MEASUREMENT - SKILLS DEVELOPMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
Criteria	Points	Target	Actual	Score
Expenditure on Learning Programmes for black employees	6.00	3.00%	0.72%	1.44
Expenditure on Learning Programmes (disabled blacks)	3.00	0.30%	0.00%	0.00
Number of black learnerships	6.00	5.00%	3.91%	4.69

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<b>CODE SERIES 500: MEASUREMENT - PREFERENTIAL PROCUREMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
<b>Criteria</b>	<b>Points</b>	<b>Target</b>	<b>Actual</b>	<b>Score</b>
BEE Procurement Spend	12.00	70.00%	62.05%	10.64
Procurement Spend with QSEs & EMEs	3.00	15.00%	11.71%	2.34
Procurement Spend with black owned bus.	3.00	12.00%	9.16%	2.29
Procurement Spend with black female owned bus.	2.00	8.00%	1.31%	0.33

<b>CODE SERIES 600: MEASUREMENT - ENTERPRISE DEVELOPMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
<b>Criteria</b>	<b>Points</b>	<b>Target</b>	<b>Actual</b>	<b>Score</b>
Average annual value of ED contributions	15.00	3%	0.00%	0.00

<b>CODE SERIES 700: MEASUREMENT - SOCIO-ECONOMIC DEVELOPMENT ELEMENT OF B-BBEE FOR GENERIC ENTERPRISES</b>				
<b>Criteria</b>	<b>Points</b>	<b>Target</b>	<b>Actual</b>	<b>Score</b>
Average annual value of SED contributions	5.00	1%	2.09%	5.00