

## Broad-Based Black Economic Empowerment Verification Certificate

### OBSIDIAN SYSTEMS (PTY) LTD

Certificate No: 00420/B-BBEE/QSE/2016

Registration Number: 1999/016857/07 | Vat Number: 4160147601

Head Office Location: Unit 5 Randpark Ridge Office Park, Ateljee Street, Randpark Ridge

**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** : **Qualifying Small Enterprise (QSE)**  
**Size of the enterprise** : **(R5 - R35 million annual turnover)**

ELEMENT	WEIGHTING	SCORE
Ownership	25	27.00
Management Control	25	26.98
Employment Equity	25	Not measured
Skills Development	25	Not measured
Preferential Procurement	25	25.00
Enterprise Development	25	Not measured
Socio-Economic Development	25	25.00
Overall Score	100	103.98

**Broad Based BEE status level** : **A level 1 contributor to B-BBEE**  
**BEE procurement recognition level** : **135.00%**  
**Black Ownership** : **25.17%**  
**Black Women Ownership** : **18.16%**  
**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 13 March 2016 is available for inspection at the registered office of Obsidian Systems (Pty) Ltd 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 Obsidian Systems (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: 13 March 2016

Period of validity: 12 Months

Expiry date: 12 March 2017

**Name of measured entity:** Obsidian Systems (Pty) Ltd  
**Certificate Number:** 0420/B-BBEE/QSE/2016  
**B-BBEE Approved Registered Auditor:** Ramona Clark CA (SA)  
**B-BBEE Approved Registered Auditor Registration No.:** 881465B

**Expiry Date:** 12 March 2017

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

### To the shareholders of Obsidian Systems (Pty) Ltd

We have undertaken a limited assurance engagement on the B-BBEE Status as at 30 April 2015, as set out on page 1 of the Broad-Based Black Economic Empowerment ("B-BBEE") Verification Certificate of Obsidian Systems (Pty) Ltd (the "Certificate"), and the Scorecard as set out on pages 3 to 4 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 Obsidian Systems (Pty) Ltd in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than the directors of Obsidian Systems (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: 13 March 2016

Name of measured entity: Obsidian Systems (Pty) Ltd

Certificate Number: 0420/B-BBEE/QSE/2016

Expiry Date: 12 March 2017

B-BBEE Approved Registered Auditor: Ramona Clark CA (SA)

B-BBEE Approved Registered Auditor Registration No.: 881465B

CODE SERIES 100 : MEASUREMENT OF THE OWNERSHIP ELEMENT OF B-BBEE					
Weighting points	Category	Ownership	Weighting points	Compliance target	Score
25 points	Voting rights	Exercisable Voting Rights in the Enterprise in the hands of black people	6	25%+1	6.00
	Economic Interest	Economic Interest of black people in the Enterprise	9	25%	9.00
	Realisation points	Ownership fulfillment		1	No restrictions
Net Value			9	Formula	9.00
3 points	Bonus points	Involvement in the ownership of the Enterprise of black new entrants;	2	10%	2.00
		Involvement in the ownership of the Enterprise of black Participants: <ul style="list-style-type: none"> <li>• in Employee Ownership Schemes;</li> <li>• of Broad-Based Ownership Schemes; or</li> <li>• Co-operatives.</li> </ul>	1	10%	-
	Total		25		27.00

CODE SERIES 200: MEASUREMENT OF THE MANAGEMENT CONTROL ELEMENT FOR B-BBEE					
Weighting points	Category	Management control	Weighting points	Compliance targets	Score
25 points	Board participation	Black representation at Top Management Level	25	50%	24.98
2 point	Bonus points:	Black women representation at Top Management Level	2	25%	2.00
	Total		25		26.98

CODE SERIES 300: MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT OF B-BBEE					
Weighting points	Category	Employment Equity	Weighting points	Compliance Targets	Score
25 points	Management	Black employees of the Enterprise who are in Management as a percentage of all Management using the adjusted recognition for gender	15	60%	-
	All employees	Black employees of the enterprise as a percentage of all employees using the adjusted recognition for gender	10	70%	-
2 points	Bonus points	Bonus point for meeting or exceeding the EAP targets in each category	2		-
	Total		18		-

Name of measured entity: Obsidian Systems (Pty) Ltd

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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
25 points	Skills Development expenditure	Skills Development Expenditure on Learning Programmes for black employees as a percentage of Leviable Amount	25	2%	-

CODE SERIES 500: MEASUREMENT OF THE PREFERENTIAL PROCUREMENT ELEMENT OF B-BBEE					
Weighting points	Category	Preferential Procurement	Weighting points	Compliance Target	Score
25 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	25	50%	25.00

CODE SERIES 600: MEASUREMENT OF THE ENTERPRISE DEVELOPMENT ELEMENT OF B-BBEE					
Weighting points	Category	Enterprise Development	Weighting points	Compliance Target	Score
25 points	Enterprise Development Contributions	Average annual value of all Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a	25	3% of NPAT	-

CODE SERIES 700: MEASUREMENT OF THE SOCIAL DEVELOPMENT AND SECTOR SPECIFIC ELEMENT OF B-BBEE					
Weighting points	Category	Social Economic Development	Weighting points	Compliance Target	Score
25 points	Socio-economic development contributions	Average annual value of all Socio-Economic Development contributions by the Measured Entity as a percentage of the target	25	1% of NPAT	25.00

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%