

RATING REPORT

IT Edge (Pty) Ltd
Reg. No. : 2000/025019/07

The records of the above referenced enterprise have been subjected to inspection and it has been rated according to the

“Qualifying Small Enterprise”

Codes of Good Practice issued by the Department of Trade & Industry.

In terms of those Codes the enterprise qualifies as a

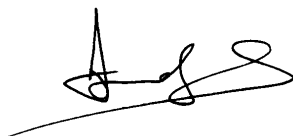
Level Two Contributor

thereby enabling its customers to apply a

BEE Procurement Recognition factor of 125%

to all monies expended with the company when determining their own BEE procurement statistics

This Rating Report has been compiled based on information that was correct at the date of this report. It is an independent examination and analysis and is valid for 12 months from the date of its issue specified below.



Andrew J Fraser
Chartered Accountant (South Africa)
Director
Date of issue : 05 December 2007
Report number : QSE001051

IT Edge (Pty) Ltd
Registration No. : 2000/025019/07
Broad Based Black Economic Empowerment
Analysis Report

Report date: 05-Dec-07

Scorecard scoring
BEE Procurement Recognition Factor
Size classification
Operational Capacity

Level Two Contributor
125%
Qualifying Small Enterprise
Unrestricted

Score	Weight (Sub weight)	Target	Actual
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TOTAL SCORE

96.78 100.00

Human Resource Development

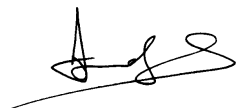
	26.09	25		
Employment Equity				
Management				
Black Management as a % of all Management adjusted using the Adjusted Recognition for Gender	15.00	15.00	40.00%	100.00%
Employees				
Black employees as a % of all employees using the Adjusted Recognition for Gender	9.09	10.00	60.00%	54.55%
Bonus				
Meeting or exceeding EAP targets in each category	2.00	2.00	Yes	Yes

Indirect Empowerment

	20.69	25		
Preferential Procurement				
BEE Procurement Spend				
BEE Procurement Spend from all suppliers based on the BEE Procurement recognition levels as a % of Total Measured Procurement Spend	20.69	25	40.00%	33.10%

	25.00	25		
Enterprise Development				
Investment in BEE enterprises				
Average annual value of all Qualifying Contributions made as a % of Turnover	25.00	25	2.00%	3.50%

	25.00	25		
Socio Economic Development				
Percentage of Turnover spent on SED	25.00		1.000%	5.92%



Andrew J Fraser
Chartered Accountant (South Africa)
Director

The Rating and Analysis Reports for **IT Edge (Pty) Ltd** reflected on pages 1 and 2 of this document (which have been signed for purposes of identification) have been prepared based on the guidelines contained within the Codes of Good Practice for Broad Based Black Economic Empowerment.

In recognition of the difficulty that smaller enterprises have in complying fully with the requirements of the principal Codes of Good Practice the Department of Trade and Industries have issued separate Codes of Good Practice to be applied in evaluating the Broad Based BEE status of those smaller enterprises.

The Code of Good Practice for Qualifying Small Enterprises (Code 800 Statement 800) states, amongst other things, the following :

1.2 ELIGIBILITY AS A QSE

Any enterprise with an annual Total Revenue of between R 5 million and R 35 million qualifies as a QSE, if its qualification does not result from circumvention of the codes

1.3 THE QSE SCORECARD

1.3.1 The following table represents the QSE Scorecard and contains the Elements of the scorecard and the weightings for each element

Element	Weighting	Code Series 800
Framework		Code 800
Ownership	25 points	Code 801
Management control	25 points	Code 802
Employment equity	25 points	Code 803
Skills development	25 points	Code 804
Preferential procurement	25 points	Code 805
Enterprise development	25 points	Code 806
Socio Economic Development Contributions	25 points	Code 807

1.3.2 A QSE must select any four of the seven elements of B-BBEE for the purposes of measurement under the QSE Scorecard. If a QSE does not make a selection, its four best element scores will be used for the purposes of measurement.

1.3.3 A QSE will be scored in proportion to the extent that it meets the compliance targets for those four elements

1.3.4 the Weighting points in respect of any element in the scorecard represent the maximum number of points possible for each of the criteria

In addition Code 000 Statement 000 states, amongst other things, the following :

Section 4 Eligibility as an Exempted Micro-Enterprise

4.1 Any enterprise with an annual Total Revenue of 5 million or less qualifies as an Exempted Micro Enterprise.

4.2 Exempted micro-Enterprises are deemed to have a B-BBEE Status of "Level Four Contributor", having a B-BBEE procurement recognition of 100% under paragraph 6.3

4.3 Despite paragraph 4.2 an Exempted Micro-Enterprise qualifies for a promotion to a B-BBEE Status of "Level Three Contributor" having a B-BBEE procurement recognition level of 110% under paragraph 6.3 if it is more than 50% owned by black people or by black women.

Section 5 Eligibility as a Qualifying Small Enterprise

- 5.1 Any enterprise with an annual Total Revenue of between R5 million and R35 million qualifies as a Qualifying Small Enterprise
- 5.2 A Qualifying Small Enterprise must select any four of the seven Elements of B-BBEE for the purposes of measurement under the Qualifying Small Enterprise Scorecard contained in Code 800. Where a Qualifying Small Enterprise does not make a selection its four best element scores will be used for the purposes of measurement.

Section 6 Start-up Enterprises

- 6.1 Start-up Enterprises must be measured as Exempted Micro-Enterprises under this statement for the first year following their formation or incorporation. This provision applies regardless of the expected total revenue of the start-up enterprise.
- 6.2 Start-up enterprises are deemed to have a B-BBEE Status of “Level Four Contributor” having a B-BBEE procurement recognition of 100% under this paragraph.

Section 8 The Generic Scorecard

- 8.2 Based on the overall performance of a Measured Entity using the Generic Scorecard it receives one of the following B-BBEE Status -:

BEE Status	Qualification	BEE procurement recognition level
Level One Contributor	≥ 100 points on the Generic Scorecard	135%
Level Two Contributor	≥ 85 but <100 points on the Generic Scorecard	125%
Level Three Contributor	≥ 75 but < 85 points on the Generic Scorecard	110%
Level Four Contributor	≥ 65 but <75 points on the Generic Scorecard	100%
Level Five Contributor	≥ 55 but < 65 points on the Generic Scorecard	80%
Level Six Contributor	≥ 45 but < 55 points on the Generic Scorecard	60%
Level Seven Contributor	≥ 40 but < 45 points on the Generic Scorecard	50%
Level Eight Contributor	≥ 30 but < 40 points on the Generic Scorecard	10%
Non Compliant Contributor	< 30 points on the Generic Scorecard	0%