



CLIENT INFORMATION: ABACUS policies and procedures

CONTENT:

**The following are extracts of the relevant policy and procedure documents.
The complete documents are available on request**

- A. Impartiality Policy**
- B. Confidentiality Policy + Disclosure of information**
- C. Complaints Policy+Procedure**
- D. Appeals Policy + Procedure**
- E. Dispute Policy +Procedure**

A. ABACUS Impartiality Policy

1. Description of term :

Impartiality is the actual and perceived presence of objectivity. Objectivity means that conflict of interest do not exist or are resolved so as not to influence adversely the subsequent activities of the BEE verification Agency (SANAS R47 – 02.)

2. Possible conduct that may constitute conflict of interest and subsequent breach of impartiality :

- Having direct or indirect economic interest in the measured entity;
- failure to disclose known relationship(s) that might influence one's judgment during a verification process;
- a person or enterprise acting in their own interest;
- allowing the measured entity to influence the outcome of the verification process;
- verifying an entity to whom ABACUS or any of its staff provided consultant service in the previous two years;
- Verifying an entity where staff of ABACUS have decision making powers and act as directors;
- Verifying an entity where ABACUS, its management and/or staff have financial interest through shareholding or loans;
- Being subjective;
- being submissive to pressure by the measured entity.

Policy Statement:

3. **ABACUS and its staff shall use care and professional judgement at all times to maintain impartiality and provide verifications that provide confidence and will not allow commercial or other pressures to compromise impartiality.**
4. **ABACUS and its staff will operate independently from any other business that may reasonably present a conflict of interest and will not recommend any consulting firm to an entity on the basis that such recommendation will result in the quicker, easier or less expensive service than other consultants.**
5. **ABACUS will continuously monitor and identify possible threats to its impartiality, analyse those risks and document those risks.**
6. **ABACUS will educate and make all staff aware of all possible threats of conflict of interest that can arise during each verification.**
7. **ABACUS will report threats to its impartiality and will assist and support staff in reporting incidents that may compromise ABACUS impartiality**
8. **ABACUS and its staff will follow the guidelines provided by the:**
 - DTI Code of Practice
 - SANAS requirements(R47-02)
 - Code of Conduct of ABVA.

B ABACUS Confidentiality Policy and disclosure of information guidelines

1. Purpose:

To outline a framework for ABACUS to responsibly manage the information provided to ABACUS by individuals and rating entities (organizations) during verifications and other dealings /occasions in accordance with applicable legislation and regulatory requirements of SANAS and the DTI.

2. Scope

This policy and procedure applies to the ABACUS Management, Staff (permanent+ temporary), contractors and measured entities.

3. Responsibility

The Managing Director shall oversee compliance with this policy and procedure.

4. Policy Statement on confidentiality:

4.1 ABACUS and its staff , members of committees and outsourced staff will;

- Preserve the confidentiality of confidential information communicated to them by a rating entity, and,
- Unless having received the written permission from the rating entity, refrain from disclosing confidential information in press releases, through research conferences, conversations with investors, entities and any other persons.

4.2 Notwithstanding the foregoing, ABACUS shall not be restricted from:

- Publishing any rating or other opinion regarding a particular share or transaction which incorporates confidential information without specifically disclosing it.
- Using third party contractors or agents bound by appropriate confidentiality obligations to assist in any aspect with the rating process or related business activities.
- Disclosing information as required by any applicable law, rule , regulation, or at the request of any government agency or third party

4.3 ABACUS will use confidential information only for the purpose related to its rating activities.

4.4 ABACUS staff will take all reasonable measures to protect all property and records belonging to or in possession of ABACUS from fraud, theft or misuse.

4.5 In accordance with ABACUS internal shares trading policies, ABACUS staff will be prohibited from engaging in transactions in shares and derivatives when they possess confidential information concerning the rating entity of such shares.

4.6 ABACUS staff will not disclose any non-public information about

rating opinions or possible future rating actions of ABACUS, except to the rating entity or its designated agents.

- 4.4 ABACUS staff will not share confidential information entrusted to ABACUS with staff of any affiliated entities except to the extent such staff are acting as agents of ABACUS with respect to the rating process, and are bound by appropriate confidentiality obligations. ABACUS with respect to the rating process, and are bound by appropriate confidentiality obligations. ABACUS staff will not share confidential information within ABACUS except on a 'reason to know' basis.
- 4.5 ABACUS staff will not use or share confidential information for the purpose or trading shares, or for any other purpose except as described in this code. Except as required under any applicable law, rule, and regulation or at the proper request of any government agency or authority, ABACUS internal deliberations and the identities of persons who participated in a rating committee will be kept strictly confidential and will not be disclosed to persons outside ABACUS.
- 4.6 ABACUS will ensure that equipment and facilities be maintained to ensure secure handling of confidential information.

6 Disclosure of Information Guidelines;

- 6.1 No confidential information will be disclosed without the written consent from the party concerned obtained on form F-Conf-03/1
- 6.2 ABACUS through the Compliance Director may disclose an entities actual verification result without compromising the confidentiality of the information supporting the verification result.
- 6.3 ABACUS through the Compliance Director will inform the client in writing when a request for BEE verification is approved/accepted of the information it intends to place in the public domain and provide the entity with this procedure, policy and guidelines (and the declaration of confidentiality / confidentiality agreement) All other information, except for information that is made publicly available by the client (entity) is considered proprietary information and regarded as strictly confidential.
- 6.4 Disclosure to third parties;

Except as required by law, SANAS or the DTI, information about a particular client or individual may not be disclosed to a third party without the written consent of the client/ individual concerned. All disclosure to third parties must be authorised by the Managing Director of ABACUS. The entity, will be informed in writing about a request from SANAS, DTI or other body. No request of confidential and other information should be dealt with by any analyst, staff member or committee member. Such requests must be referred to the Managing Director.

All disclosures will be recorded in writing and kept on record in terms of the ABACUS record system.

6.5 Disclosable Information

ABACUS will maintain all relevant required /prescribed information according to its Document Control and Records System and Confidentiality Policy, Procedures and guidelines and will provide information about its activities to SANAS on

request : Such requests must be in writing and directed to the Managing Director who will provide SANAS with the information in writing within a reasonable time.

The information that ABACUS provides to any measured entity or to the marketplace including advertising will be accurate and not misleading. All information and advertising will be approved and authorised by the Managing Director before providing such information to measured entities or the marketplace.

- ABACUS will make publicly accessible information about BEE status level granted by providing such information on request and in writing or by placing such information on the ABACUS website.
- The Managing Director will authorise such information before making it available in writing or on the internet. Such information will be valid, accurate and up to date.
- On request from SANAS and /or the measured entity, ABACUS will provide all relevant information to confirm the validity of a given score. Such requests must be forwarded in writing to the Compliance Director who will provide the information and means to **confirm** the validity of a given score with due regard to the policy and procedures for safeguarding confidentiality.

C. Policy and Procedures to deal with Complaints.

1. Purpose

The purpose of this policy and procedure is to ensure that complaints are resolved in an amicable way, as quickly as possible to maintain a high quality of service to ABACUS clients and maintain continual improvement.

2. Scope

This Policy and Procedure is applicable to all measured entities verified by ABACUS and users of the BEE – verification

3. The Managing Director shall oversee compliance with this policy and procedure and may use the services of a suitably qualified external person.

4. Policy:

- ABACUS acknowledges that a measured entity or user of the BEE verification can have complaints that the work performed by ABACUS fails to comply with professional standards and/or regulatory and and/or legal requirements and /or ABACUS policies and procedures are not complied with.
- ABACUS will deal with complaints in a professional and impartial manner and confidentiality will be safeguarded at all times.
- ABACUS will ensure that staff who is independent of the complaint and impartial with the proper authority will be utilised to handle the complaint.
- Complaints related to a BEE score will be dealt with in terms of the Appeal Procedure.
- All complaints must be recorded and documented on the prescribed forms.
- All complaints will be dealt with immediately and will be resolved as soon as possible but not later than 30 days after receipt unless the parties have agreed to an extension.

5. Procedure for handling complaints

- Complaints received verbally via telephone or in person shall be referred to the Managing Director .
- If the Managing Director is not available, the person receiving the complaint must request the complainant to complete the Complaint Form(F-COM-01) or forward the complaints form to the complainant immediately via fax or scanning
- Complaints received in writing or via E-mail must be directed to the Managing Director who will send confirmation that the complaint has been received.
- The Managing Director will complete the complaint form and annex the written E- mail complaint to the complaint form.
- All complaints received must be recorded in the Complaints Register (F-COM-02)
- The Managing Director will designate the Compliance Director or other person who is impartial to investigate the complaint or may investigate it himself.
- Staff involved with the complaint will not be used in the investigation of the complaint.
- The responsible person will confirm and validate the complaint against the following :

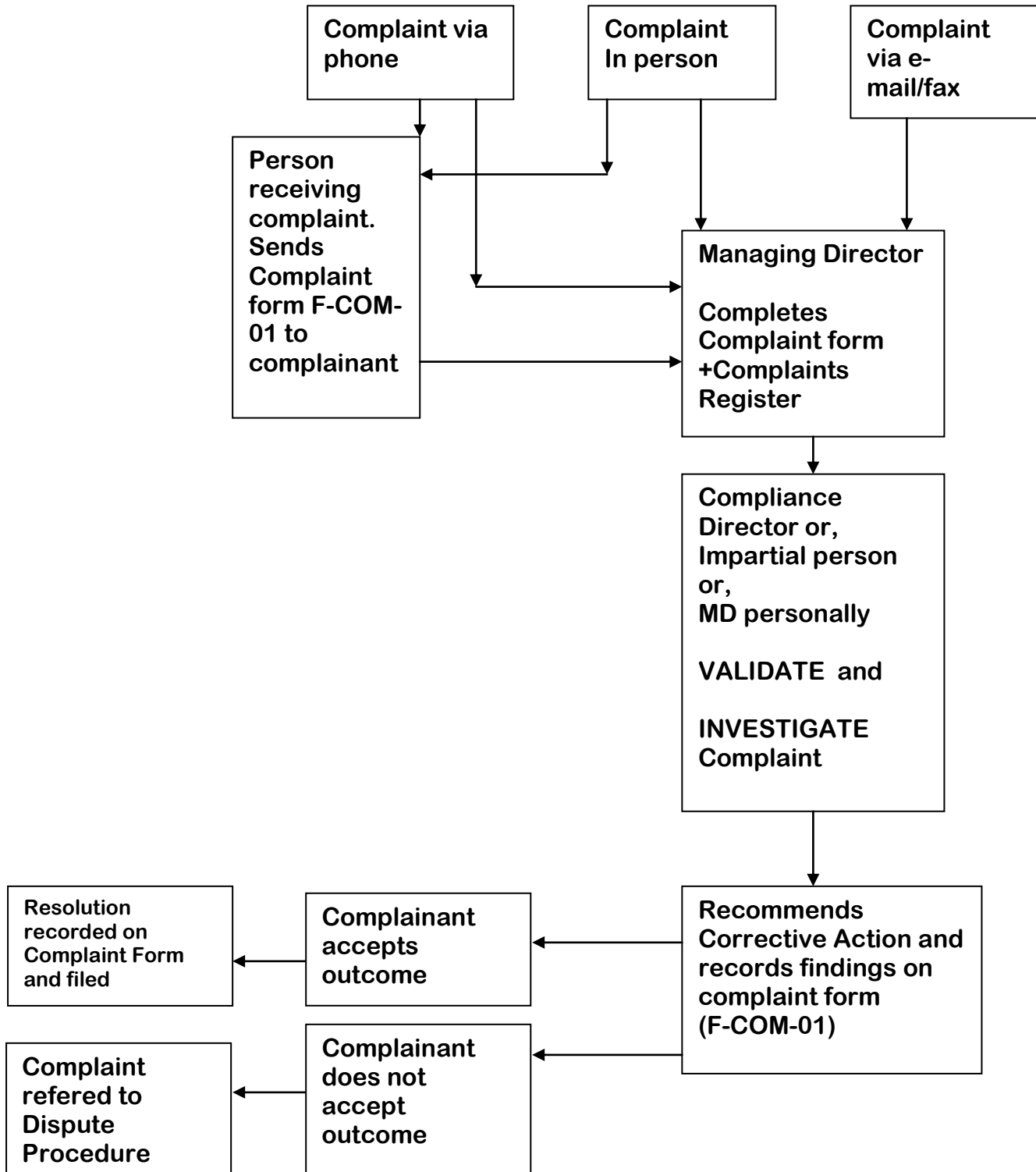
- ❖ DTI – Notice 776 of 18 July 2008.
 - ❖ SANAS – REQUIREMENTS R47 -02.
 - ❖ Legislation.
 - ❖ ABVA - Code of Conduct.
 - ❖ ABACUS – Policy and Procedures.
- If the complaint is valid the designated person will
 - a) Investigate the complaint: (Deal with facts in a neutral manner).
 - b) Analyse the complaint.
 - c) **Make a decision** or make a recommendation to the Managing Director if he is an external person.
 - The Managing Director or designated person will record his findings on the Complaints Form and will **recommend** corrective action to resolve the complaint.
 - The complainant will be informed in writing of the outcome of the resolution after the corrective action has been taken
 - If the complainant is satisfied with the corrective action, the **Managing Director will approve** the resolution of the complaint on the Complaint Form.
 - If the complainant is still not satisfied with the outcome , the **Dispute Procedure** must be followed.
 - All relevant documentation must be filed on the Records System.
 - All complaints must be handled within 30 days of receipt of the complaint by ABACUS.
 - The Managing Director will follow – up on the corrective action within 30 days after resolution of the complaint and again during the Annual Management Review.

6. Related Documents

Complaints Form	F-COM-01/1
Complaints Register	F-COM-02/1
Complaints Procedure	
Flow Chart	F-COM-03/1

COMPLAINTS PROCEDURE

F-COM-03/1



D. Policy and Procedures for handling Appeals

1. Purpose

The purpose of this policy and procedure is to ensure that appeals are handled as quickly as possible to maintain a high quality of service to ABACUS clients and maintain continual improvement.

2. Scope

This policy and procedure is applicable to all measured entities verified by ABACUS and users of the BEE verification.

3. The Managing Director shall oversee compliance with this policy and procedure

4. Policy :

- ABACUS acknowledges that a measured entity or user of the BEE verification can feel dissatisfied with their rating or a score and lodge an appeal.
- ABACUS will deal with appeals in a professional manner and impartiality will be safeguarded at all times.
- ABACUS will ensure that staff who is independent of the appeal with the necessary authority will be utilised to handle the appeal.
- An appeal must be submitted in writing on the ABACUS Appeal Form (F-AP-01) and can only be lodged after completion of the verification and rating process.

5. Procedure for handling Appeals

- All appeals must be referred to the Managing Director.
- All appeals must be in writing on the ABACUS Appeal Form. When appeals are received verbally in person or via phone or via E mail, the relevant staff member must forward the Appeal Form to the appellant.
- The appellant must complete the Appeal Form in detail and return it to the Managing Director of ABACUS by scanning or fax.
- Upon receipt of the Appeal Form the Managing Director will designate a person who is impartial to handle the appeal or he may handle it himself.
- Staff involved with the verification and allocation of a rating will not be used to handle the appeal.
- The Managing Director may appoint a suitably qualified external person to handle the appeal but will only make a recommendation to the Managing Director who will have the final decision making authority.
- The Managing Director or responsible person must complete the Appeals Register (F-AP-02)
- The Managing Director or responsible person must validate the appeal against :
 - ❖ DTI – notice 776 of 18 July 2008
 - ❖ SANAS – requirements R47-02
 - ❖ Industry Charters and Codes
- If the appeal is valid the responsible person / Managing Director will :

- a) Investigate the appeal.
 - b) Analyse the appeal.
 - c) Make a decision (or recommendation to the Managing Director if applicable).
- The Managing Director or responsible person will record his/her findings on the Appeal Form and will recommend corrective action to resolve the appeal. ABACUS will issue a new certificate reflecting the new rating and expiry date. The issue of the new certificate will be at no charge to the measured entity.
 - If the appellant is satisfied with the corrective action the Managing Director will approve the resolution of the Appeal and on the Appeal Form.
 - If the appellant is still not satisfied with the outcome of the appeal the matter must be handled in terms of the Dispute Procedure.
 - Appeals must be finalised within 5 days after receipt of the appeal by ABACUS unless the parties have mutually agreed to an extension.

6. Related Documents

Appeal Form	F-AP-01/1
Appeal Register	F-AP-02/1
Appeal Procedure Flow Chart	F-AP-03/1



F-AP-01/1
PAGE 1

Appeal Form

Appeal Nr: (Will be completed by ABACUS)

Particulars of appellant: **Date:** _____
Name: _____

Representing: _____ (Name of Business)

Address: _____ **Tel:** _____

 _____ **Fax:** _____
 _____ **E-Mail:** _____

Nature of Appeal:

(Add supporting documentation to this form)

Resolution required:

Signature:

For use by ABACUS

Received on: _____

Managing Director ABACUS



Appeal Form (Part 2)

F-AP-02/1
Page2

APPEAL NR:

(Must be completed by Managing Director or Designated Person)

Proposed resolution of appeal:

Signature:

Date:

 Managing director:ABACUS

(To be completed by Appellant)

Resolution of appeal accepted/not accepted (Delete where not applicable)

Remarks:

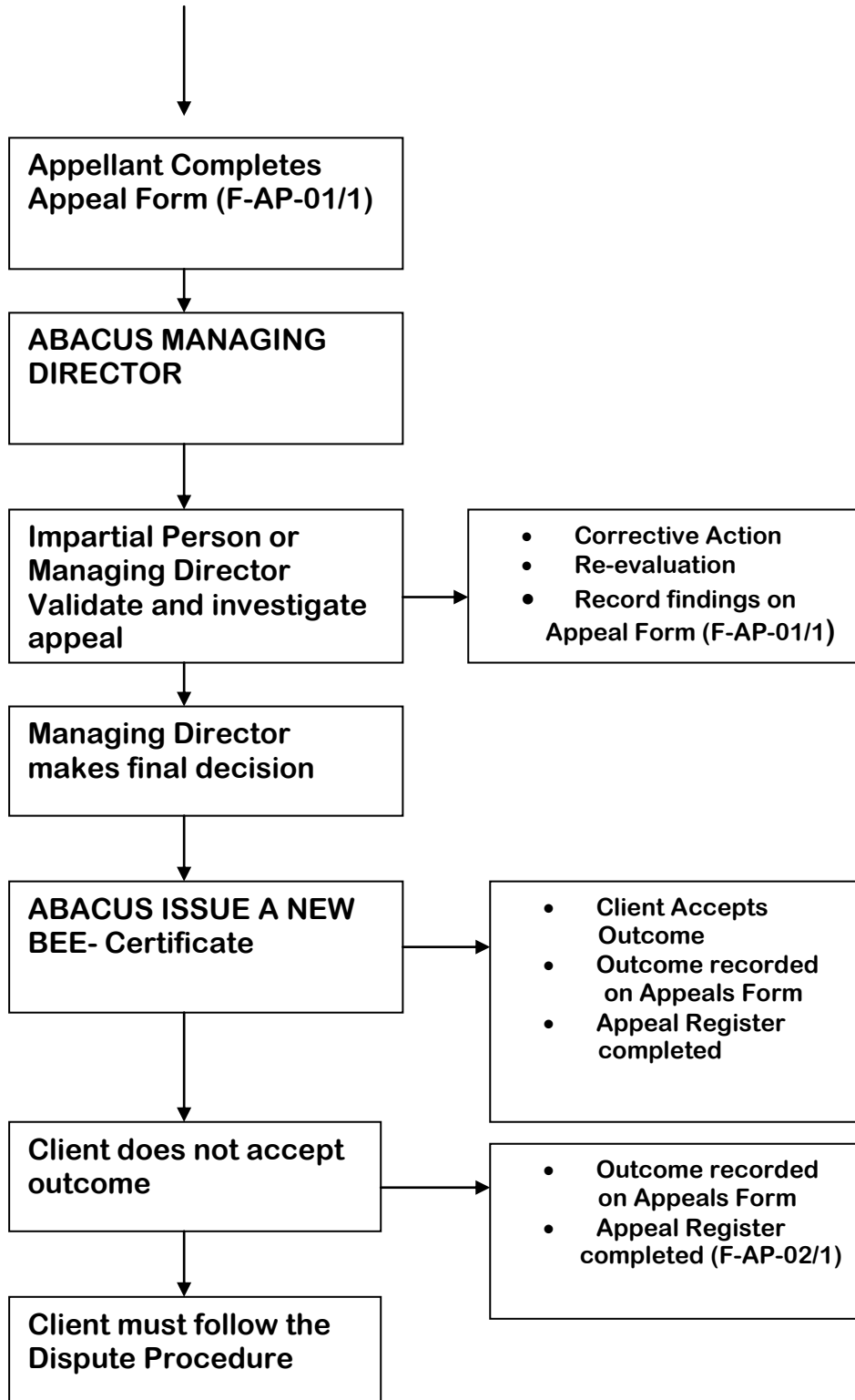
Signature:

Date:

APPEAL PROCEDURE

F-AP-03/1

Client appeals against RATING and/or SCORE



E. Procedure to deal with Disputes

1. Purpose

- The purpose of this procedure is to deal with unresolved complaints and appeals in an impartial and confidential manner.
- The parties shall endeavour to resolve the dispute by negotiation.

2. Procedure

If a complaint or an appeal remains unresolved after the ABACUS- Procedures for handling Complaints and /or Appeals have been followed either party can declare a dispute.

The party declaring the dispute will notify the other party in writing within 10 days after the ABACUS- Complaints or Appeal Procedure have been exhausted .

All disputes will be dealt with by the Managing Director of ABACUS and within 7 days of written notification of a dispute the one party will invite the other party in writing to meet and attempt to resolve the dispute.

- All the proceedings and decisions of the dispute meetings will be recorded and documented . If the dispute has not been resolved by negotiation within 7 days of the commencement of the negotiation or such other extended time period as the parties may agree to, the parties shall submit the dispute for **mediation** to be administered by the Arbitration Foundation of Southern Africa, upon such terms as agreed between the parties and the secretariat of the Arbitration Foundation of Southern Africa.
- If the parties fail to reach agreement to submit the dispute for mediation or the dispute remains unresolved after mediation the parties shall within 7 days refer the dispute for **arbitration** to be administered by the Arbitration Foundation of South Africa.

The decision of the Arbitrator will be final and binding to both parties.

The decisions of the Mediator and / or arbitrator will be recorded in the Complaints and Appeal register.

The Managing Director will oversee implementation of corrective and/or preventive action resulting from the dispute procedure by conducting a review /follow –up within five (5) days after the mediation or arbitration and regularly thereafter as part of his management responsibility.

The Managing Director will submit the Complaints an Appeals Register and a report to the annual Management Review meeting.

3. Dispute Procedure

F-DP-1/1

