

EMPOWERDEX

TRANSITIONAL NARROW BASED RATING REPORT



SAVCIO HOLDINGS (PROPRIETARY) LIMITED

INCORPORATING:

**LH MARTHINUSEN, MARTHINUSEN & COUTTS, REID AND MITCHELL,
TRANSWIRE, WILEC, TEMSO, METALPLUS, BUKUBUHLE WIRE, LOCO COIL
TECHNOLOGIES**

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Direct Empowerment

1.1. Ownership:

The scorecard below is based on the ownership structure as at December 2007.

Table 1.1.: Ownership Scorecard

Category	Indicator	Weighted Points	Compliance Target	Company Performance	Company Score
Shareholders Exercisable voting rights	Black people	3	25% + 1	32.35%	3.00
	Black women	2	10.00%	8.86%	1.77
Shareholders Entitlement to economic interest	Black people	4	25.00%	32.35%	4.00
	Black women	2	10.00%	8.86%	1.77
	Black designated groups	1	2.50%	0.00%	0.00
	Black participants in employee ownership schemes			0.00%	0.00
	Black beneficiaries of broad based ownership schemes			0.00%	0.00
	Black participants in co-operatives			0.00%	0.00
Realisation value	Ownership fulfillment	1	Fulfilled	Fulfilled	1.00
	Net value	7	25.00%	25.00%	7.00
Bonus points	New entrants	2	10.00%	2.60%	0.52
	Employee ownership schemes	1	10.00%	0.00%	0.00
	Black beneficiaries of broad based ownership schemes			0.00%	
	Black participants in co-operatives.			0.00%	
Recognition of sale or loss of shares.					0.00
Total		23			19.06



The ownership structure as at December 2007:

Table 1.2.: Ownership Summary

Owner	Percentage Owned		Percentage Held by Black Person		Black Women Holding		Executive Involvement	
Name	%		%		%		Yes/No	
Mervyn Naidoo	1.30	a	100.00	b	0.00	b	No	b
Ehos Private Equity Fund	25.00	a	26.20	b	13.03	b	No	b
Actis Okavango Limited	25.00	a	0.00	b	0.00	b	No	b
Sphere Investment (Pty) Ltd	12.35	a	100.00	b	39.31	b	No	b
Old Mutual Life Assurance Company SA Limited	15.00	a	22.90	b	5.00	b	No	b
AKA Capital (Pty) Ltd	12.35	a	60.00	b	0.00	b	No	b
Makaringe Investments	1.30	a	100.00	b	0.00	b	No	b
Management Trust	9.00	a	0.00	b	0.00	b	No	b

a. Verified through share certificates

b. Verified through interviews with management

- Savcio Holdings (Proprietary) Limited is a private company owned by 5 institutional shareholders, one individual and a management trust.
- Mervyn Naidoo is a 1.30% shareholder and complies with the definition of black people as per the criteria contained in the Department of Trade and Industry's transitional guidelines for the rating of BBR entities as gazette by the Minister during February 2007.
- Makaringe Investments is a 1.30% shareholder and its shareholder, N Mathebula, complies with the definition of black people as per the criteria contained in the Department of Trade and Industry's transitional guidelines for the rating of BBR entities as gazette by the Minister during February 2007.
- Ethos Private Equity Fund Limited has a 25.00% shareholding in Savcio Holding (Proprietary) Limited. The percentage of black people recognised is 26.20% and a 13.03% for black women. This results in a 6.55% black shareholding in Savcio and a 3.26% black woman shareholding using the flow through principle.
- Sphere Investment (Proprietary) Limited has a 12.35% shareholding in Savcio Holding (Proprietary) Limited. The percentage of black people recognised is 100.00% and 39.31% for black women. This results in a 12.35% black shareholding in Savcio and a 4.85% black woman shareholding using the flow through principle.



- Old Mutual Life Assurance Company SA Limited has a 15.00% shareholding Savcio Holding (Proprietary) Limited. The percentage of black people recognised is 22.90% in Savcio and 5.00% for black women. This results in a 3.44% black shareholding and a 0.75% black woman shareholding using the flow through principle.
- AKA Capital (Proprietary) Limited has a 12.35% black shareholding in Savcio Holding (Proprietary) Limited. The percentage of black people recognised is 60.00% in Savcio. This results in a 7.41% black shareholding using the flow through principle.
- The net economic interest have been awarded as the transaction is complete in all respects.
- Bonus points (0.52 points) have been awarded for black new entrants as both Mervyn Naidoo and N Mathebula qualify as black new entrants.
- The total verified black ownership of Savcio Holdings (Proprietary) Limited is 32.35% and black women ownership is 8.86%.



1.2. Management and Control

The scorecard below is based on the management and control structure at December 2007.

Table 2.1.: Management Scorecard

Category	Management control criteria	Weighting points	Compliance Target (%)	Company Performance	Company Score
Board Participation:	Exercisable voting rights by black board member adjusted for gender	3	50.00%	41.00%	2.46
	Representation of executive black board members adjusted for gender	2	50.00%	25.00%	1.00
Top Management Participation:	Black people at senior top management adjusted for gender	3	40.00%	0.00%	0.00
	Black people at other top management adjusted for gender	2	40.00%	18.75%	1.40
Bonus Points	Black independent non-executive board members	1	40.00%	0.00	0.00
Totals		10			4.86

Table 2.2: Detailed table of the Directors

Director	Executive / Non-Executive / Independent Non-Executive		Roles and Responsibility	Population Group (A/C/I/W/NSA)	Gender (M/F)	
R B Spoon	Executive	a	CEO	W	M	b
B G Hitchcock	Executive	a	Deputy CEO	W	M	b
M Naidoo	Executive	a	Director	I	M	b
N Mathebula	Executive	a	Director	A	M	b
M Mahlare	Non- Executive	a	Director	A	M	b
I Matthews	Non- Executive	a	Director	I	M	b
O N Davies	Non- Executive	a	Director	W	M	b
L C Van Vught	Non- Executive	a	Director	W	M	b
G K A Morolo	Non- Executive	a	Director	A	M	b
N S Nematswerani	Non- Executive	a	Director	A	M	b
A I J Carim	Non- Executive	a	Director	I	M	b
M Denalane	Non- Executive	a	Director	A	F	b
J B Hinson	Non- Executive	a	Director	NSA	M	b
M E Gevers	Non- Executive	a	Director	W	M	b
C B Roos	Non- Executive	a	Director	W	M	b
G A Jarvis	Non- Executive	a	Director	W	M	b
Black Representation at Board Level					41.00%	
Black Representation at Executive Board Level					25.00%	

a: verified through interviews with management

b: management representation, and verified through ID copies

- Control of the entity vests in the hands of its Directors.
- Black representation at Board Level and Non- Executive Level is 56.25% before adjusting for gender and results in 58.33% after adjusting for gender.
- Black female representation at Board Level and Non- Executive Level is 6.25% and 8.33%.
- Taking into account the equity ownership and control elements, **Savcio Holdings (Proprietary) Limited** is a **Level Six Contributor** in accordance with the transitional guidelines for the rating of BBR entities as interpreted using the Department of Trade and Industry's Codes of Good Practice as gazetted by the Minister during February 2007.



Table 2.3: Detailed table of Top Management

Top Manager	Roles and responsibility	Executive / Non Executive [^]		Population Group (A/C/I/W/NSA) ¹	Gender (M/F)	
R B Spoon	CEO	Senior Top Management	b	W	M	b
B G Hitchcock	Deputy CEO	Senior Top Management	b	W	M	b
D Liebenberg	Financial Director	Senior Top Management	b	W	M	b
A da Silva	Managing Director	Other Top Management	b	W	M	b
T Lawrenson	Managing Director	Other Top Management	b	W	M	b
R Botton	Managing Director	Other Top Management	b	W	M	b
D Broom	Managing Director	Other Top Management	b	W	M	b
P Mateus	Managing Director	Other Top Management	b	W	M	b
N Mathebula	Managing Director	Other Top Management	b	A	M	b
J Gabanakgosi	Group Human Resources Manager	Other Top Management	b	A	M	b
M Naidoo	Business Development Director	Other Top Management	b	I	M	b
Black Representation At Senior Top Management Level					0.00%	
Black Representation At Other Top Management Level					18.75%	

Notes:

[^] Executive Manager is defined as a manager who falls within the definition of executive director as specified in the King Report on Corporate Governance.

A = African, C = Coloured, I = Indian, W = White, NSA= Non South African

a. Verified through interviews with management

b. Verified through the inspection of identity document

- There are no black people in Senior Top Management.
- Black representation at the Other Top Management level in the company is 18.75%.
- There is no black woman representation at the Top Management level in the company.



2. Operational Capacity

- Savcio Holdings (Proprietary) Limited is located in Bruma, Johannesburg.
- Savcio Holdings (Proprietary) Limited is a group of companies specializing in electrical repairs and is an Electro Mechanical service provider. The company currently operates nationally through 17 workshops and branches strategically positioned in key market sectors.

Capacity Type	Internal Capacity	Outsourced	Support by Joint Venture or Support Partners	Not Applicable
Sales and Marketing	√			
Customer and Account Management	√			
Manufacturing	√			
Provision of Professional or Technical Services	√			
Logistics and Service Delivery	√			
Financial Administration (Invoicing, Banking and Accounting)	√			
Office Premises	√			

Internal Capacity:

The function is performed internally by full time employee of the organization

Outsourced:

The function has been outsourced to a third party entity for better operational efficiency

Joint Venture or

Support Partners:

The function is performed by related parties, joint venture entities or support partners through joint venture, enterprise development initiatives or other agreements

Not applicable:

The function is not necessary in the organization

- The above table reflects that the company has the internal capacity to conduct its core business activities. There is no undue restrictions placed on the entity by related third party entities.
- Savcio Holdings (Pty) Limited is in possession of audited financial statements for the year ended 30 September 2006.
- The operational capacity, is **Unconstrained**.



Analyst

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