

PREFERENTIAL PROCUREMENT STATEMENT AND POLICY

1. INTRODUCTION

- 1.1. AfriGIS is a technology innovation company. We create geographic information and communication solutions, custom made for government, business, and the consumer, providing value for money through a process of fair exchange and long-term relationships. We do this by commitment to delivery, relationships, professional ethics, and respect for peoples' diversity, in an environment of honesty and integrity.
- 1.2. AfriGIS recognises the need to ensure that transformation experienced in South Africa since 1994, needs to be sustainable and maintained. AfriGIS further recognises that the ICT industry requires the active participation of all players in the industry to ensure that the high standards and quality of services within the industry are maintained.
- 1.3. AfriGIS acknowledges the established standards and guidelines for transformation as described in the Broad Based Black Economic Empowerment codes of good conduct as published in 2007, as well as the industry specific commitments to transformation as described in the Information and Communication Technology (ICT) Charter of 2012.
- 1.4. In light of this AfriGIS has developed and published a variety of policies to ensure that the commitment of the company to transformation in general and the improvement of the ICT industry specifically are documented and transparent. This policy document has particular reference to the areas relating to procurement and the role it plays in transformation.

2. ADHERENCE TO AND IMPLEMENTATION OF POLICY

The implementation of this Policy is the responsibility of all Line Directors and Managers, our Internal Auditors, as well as the Human Resources and Finance Managers. All employees are however responsible for adhering to promoting this policy and the spirit in which it is written.

2.1. Vision

AfriGIS (Pty) Ltd creates an enabling environment for participation within the AfriGIS supply chain process for previously disadvantaged entities and enterprises to provide goods and services that will enhance and improve the AfriGIS offerings and support the AfriGIS infrastructure and consumable needs.

2.2. Objectives

- 2.2.1. To maintain the high standards that have been set for all suppliers and supply partners to AfriGIS.
- 2.2.2. Develop and apply innovative ways and means to encourage previously disadvantaged entities and enterprises to participate in the AfriGIS supply chain

- 2.2.3. To assist previously disadvantaged entities and enterprises to establish mutually beneficial relationships with AfriGIS procurement

2.3. Critical Success Factors

- 2.3.1. Commitment of leadership, line management and procurement forum members, to see the complete process through.
- 2.3.2. Congruency with business strategy will be always a priority.
- 2.3.3. Alignment with vision and values of organisation.
- 2.3.4. Compliance with relevant legislation.
- 2.3.5. Part and parcel of overall supply chain planning.
- 2.3.6. Transparent and consultative driven.
- 2.3.7. Realistic and affordable.

3. POLICY

All suppliers and service providers to AfriGIS are advised of this policy of transformation, and the commitment to the development of previously disadvantaged entities and enterprises. All stakeholders (Management, Employees, and others) are fully advised of this policy.

- 3.1. Transformation and fairness in the procurement and supply chain environment will be achieved by providing preferential opportunity to offer products and services to AfriGIS in accordance with legal requirements but also by implementing a preferential procurement process, which recognises and acknowledges the role and contribution of Historically Disadvantaged Individuals, entities, and enterprises.
- 3.2. To this end, and subject to the requirements of its preferential procurement programme, the Company will support a previously disadvantaged individual, entity, or enterprise in securing opportunity within the supply chain of management with a variety of methods based on the individual circumstances of the individual, entity or enterprise.
- 3.3. AfriGIS (Pty) Ltd will evaluate qualifying preferential individuals, entities, or enterprises in order of preference and or priority as determined from time to time in the terms of the codes of good conduct and or the ICT charter. Currently this order of preference prioritises in the following order: black female owned businesses (in excess of 30% equity), black owned businesses (in excess of 50%), qualifying small enterprises and exempt micro enterprises. It should be noted that each entity will be evaluated on all other standard AfriGIS procurement criteria as normal including but not limited to price, ability to deliver, sustainability and quality.
- 3.4. The Company understands that the successful achievement of transformation benefits are not restricted to awarding previously disadvantaged individuals

entities or enterprises work but also in the manner in which procurement is implemented in terms of assisting the successful candidates to overcome traditional obstacles to these entities being successful. In light of this AfriGIS will within its discretion and on application apply any tool available to assist these entities to deliver successfully and become sustainable. This may include but is not restricted to, price advantage, preferential payment terms and assisted delivery.

- 3.5. Practical/appropriate steps will be carried out to ensure successful suppliers of services or products that fall into the prioritised categories for procurement obtain as much benefit as is practical, based on application for benefits.

It should be noted that at no time will AfriGIS compromise its quality and or delivery requirements.

4. PROCESS

- 4.1. Within the framework of AfriGIS procurement procedures and individual, entity or enterprise that qualifies in terms of the prioritised categories listed above will be entitled to make an application to AfriGIS Procurement and Finance department for specific consideration and specify desired assistance.

5. SUMMARY

In accordance with our procurement procedures and policies, we accept that as a company we need to contribute as best possible and practical to the transformation process. To achieve this objective, we accept that preferential procurement measures may have to be taken in certain instances when selecting a product or service provider.

- 5.1. The preferential procurement measures used by our company may include any of the following
 - 5.1.1. Evaluation based on black female ownership
 - 5.1.2. Evaluation based on black ownership
 - 5.1.3. Evaluation based on size
 - 5.1.4. Evaluation based on BBBEE level
 - 5.1.5. Evaluation based on price, quality, ability to deliver and sustainability
 - 5.1.6. Preferential payment terms
 - 5.1.7. Price advantage measurements
 - 5.1.8. Assisted supply
 - 5.1.9. Direct intervention in supply.

AfriGIS (Pty) Ltd will not appoint a supplier that is not suitably qualified, regardless of the preferential procurement requirements

6. POLICY REVIEW

This Policy is to be reviewed annually and may be changed at management's discretion in line with changing legislation and business needs, following prior consultation with affected departments and suppliers.

7. CONTACT INFORMATION

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