



# SKELTON & PLUMMER HOLDINGS

## BEE STATUS AND POLICY

The S&P group of companies is an employee owned and managed organization that was established in 1983. Until such time as the Construction Sector Charter is released, S&P has adopted the Government's guideline policy document and the associated balanced score card for the Broad-Based Black Economic Empowerment as the measure of our progress in achieving our BBE objectives. S&P has set goals and objectives in order to fully comply with the expected norms of good BEE compliance by 2014 as required by this policy document. Once the Construction Sector Charter is released we will modify our goals accordingly. Negotiations are currently underway that will materially effect the S&P Group and will lead to significant restructuring of the business, including the BEE Policies and status. The subject and nature of these negotiations are currently protected by a non-disclosure agreement.

The first objective of our BEE strategy is to focus on skills development as this is the only hope we have of making meaningful progress towards fulfilling our BEE objectives. Since 1995 it has been the policy of the S&P Group of companies to give preference to previously disadvantaged groups through our Trainee schemes. This policy was adopted due to the lack of the necessary technical management skills available from any sector of the population and is based on a long-term sustainable employment equity strategy and black economic empowerment through operational empowerment and capacity building of historically disadvantaged people. Since 1995 the availability of suitably trained people has worsened dramatically in South Africa as reflected in the statistics provided by ECSA.

Our Employment Equity Goals show that we predict only marginal movement towards the ideals of employment equity by the year 2005 due to the time required to properly train people in our business. This is necessary, as they will be expected to cope with the demands placed on top management that requires both technical competence as well as operational experience. However, with the resources and effort being invested in training, we are confident in reaching satisfactory levels by 2014.

The S&P Group has an established skills development plan that has been formalized over the past year. As reported, this plan far exceeds any legislated guidelines. Our Employment Equity Committee and Skills Development Forum are involved with all aspects of employment equity and skills development such as monitoring progress as well as on-going improvements in these areas.

The second objective of our BEE strategy has been to establish the BEE status of our sub-contractors and suppliers in order to ensure that we give preference to those companies that are BEE compliant or are endeavouring to achieve compliance within the prescribed timeframe of 2014.

The final objective of our BEE strategy is to find a suitable BEE partner that will add value to our business including entry into previously untapped areas of operation.

The S&P Group has operated all over South Africa, often in remote areas. This has directly benefited the local communities by the way of employment and the associated training. In addition in many instances the infrastructure provided for the duration of our projects is left largely intact for the upliftment of the local communities.

A handwritten signature in black ink, appearing to read 'A. W. Michel', is written over a horizontal line.

**A. W. Michel**  
**Managing Director**

**March 2008**