

24 November 2017

To whom it may concern,

CLAROTECH CONSULTING BEE STATUS

Clarotech Consulting (Pty) Ltd ("Clarotech") previously had a certified Broad-Based BEE status of Level 8 in terms of the Generic ICT Sector scorecard. However, that certification expired on the 10th November 2017.

The new 2016 ICT sector code was gazetted on the 7th November 2016 and took immediate effect. Under the new code, significant changes were introduced that would require wholesale changes in the ownership and management to the existing company for it to remain compliant. After attending various sessions on the new code, it was also revealed that significant time and expenditure would need to be invested simply to embark on the process of working towards compliancy. The directors have for now decided that with the code as it stands, it is not feasible for Clarotech to pursue compliance because it would put undue pressure on the company's finances and resources to the extent that it may threaten the business as a going concern.

The desire of Clarotech is to play a meaningful part in helping to eradicate the legacy of apartheid and empower the previously disadvantaged sectors of our community. The company's recruitment policy does not discriminate against anyone on any grounds. Over the years the company has actively recruited staff with little or no experience straight out of school or tertiary educational institutions. With the assistance of internal mentorship and training programs, a number of these recruits now hold senior technical or management positions, and in many cases have also become shareholders of the company.

Clarotech will continue to do what it can to create employment and ownership opportunities for all without discrimination, to compensate its staff with salaries that are market related or better, and to train and help staff grow within the company.

In a nutshell, Clarotech's desire is to see every South African given equal opportunity to be educated, nurtured and offered work experience, and Clarotech is actively playing its part in attaining that goal.

Yours faithfully,

A handwritten signature in black ink, appearing to be "C. Fair", written over a light blue rectangular background.

Colin Fair
Managing Director