

APPEALS & COMPLAINTS

This procedure applies to IZALA VERIFICATORS CPT (PTY) LTD personnel, independent contractors and B-BBEE experts working with IZALA VERIFICATORS CPT (PTY) LTD providing B-BBEE verification services.

Contents

1. Scope: Appeals	2
2. Scope: Complaints	2
3. Purpose of the Procedure	3
4. Delegated Responsibility	3
5. Appeal Procedure.....	3
5.1 Receiving notification of an Appeal	3
5.2 Appeal Evaluation Process	4
5.3 Corrective action	5
6. Complaints Procedure.....	5
6.1 Receiving a complaint	5
6.2 Complaint Management Process.....	6
6.3 Corrective action	7
6.4 Progress reports and feedback to complainant	8
7. Terms of Reference.....	9
7.1 Purpose and Objectives of the committee:	9
7.2 Output.....	9
7.3 The schedule and location of meetings for the committee	9
7.4 Competency requirements of committee members	9
7.5 Number of committee members required.	9
7.6 Balance of interest consideration of the committee members	9
7.7 Basic Agenda	9
7.8 Minutes of committee meetings	10
8. Change to a Verification result.	10
If any complaint indicates that a verification result may have been affected, the Technical Signatory must be notified immediately and must inform the measured entity in writing with the reason. The Certificate re-issue process then must be followed.	10
9. Management review	10

APPEALS & COMPLAINTS

This procedure applies to IZALA VERIFICATORS CPT (PTY) LTD personnel, independent contractors and B-BBEE experts working with IZALA VERIFICATORS CPT (PTY) LTD providing B-BBEE verification services.

1. Scope: Appeals

- 1.1 This procedure covers the procedures required to manage the receiving, evaluating and the decision process when an appeal is made by a Measured Entity against the results of a verification exercise undertaken by Izala Verificators CT. This must be distinguished from a “Complaint”, which relates to the communication of dissatisfaction by a Measured Entity with the B-BBEE process or the activities of the engagement team or the company.
- 1.2 An “Appeal” is specifically the contesting of the findings of a verification exercise by the Measured Entity. Appeals usually arise when the draft report is sent to the ME prior to the issue of a B-BBEE Certificate.
- 1.3 However, an Appeal may arise at any time during the currency of the B-BBEE certificate if the Measured Entity becomes aware of factors that bring doubt on its B-BBEE status as verified by Izala Verificators CT.
- 1.4 This procedure implements Izala Verificators CT Policy B-BBEE (**PoI 002-IZA**) Appeals & Complaints and covers:
 - 1.4.1 Receiving and acknowledging Appeals.
 - 1.4.2 Evaluating the Appeal and reporting the results of the investigation.
 - 1.4.3 Corrective actions that may be needed to prevent further such incidents.
 - 1.4.4 Tracking and recording Appeals
 - 1.4.5 Communication with the appellant.
- 1.5 The preferred medium for handling Appeals is email and all reference to “written” means email.

2. Scope: Complaints

- 2.1 Complaints arise from the B-BBEE verification process and not from the B-BBEE Score or result of the verification which is treated as an Appeal and dealt with accordingly.
- 2.2 This procedure implements Izala Verificators CPT’s Policy B-BBEE (**PoI 002-IZA**) Appeals & Complaints and covers:
 - 2.2.1 Receiving and acknowledging complaints.
 - 2.2.2 Evaluating complaints, decision making and reporting the results of any investigation.
 - 2.2.3 Corrective actions needed and measuring the effectiveness of corrective actions.
 - 2.2.4 Communication with the complainant.
- 2.3 Complaints can emanate from:
 - 2.3.1 A measured entity (client).
 - 2.3.2 A user of a B-BBEE Certificate or Report provided to a measured entity.

APPEALS & COMPLAINTS

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2.3.3 An employee of Izala Verificators Ct's or an associated organisation involved in the B-BBEE verification process (Verification Team).

2.3.4 An outside and unrelated individual or organisation.

2.4 The preferred medium for handling complaints is email and all reference to "written" means email.

3. Purpose of the Procedure

3.1 The Purpose of this Procedure is to:

3.1.1 Give confidence to the business community that the B-BBEE verification process is accurate and independent.

3.1.2 Underpin the professionalism expected of organisations who are registered to measure B-BBEE compliance and to issue B-BBEE certificates.

3.1.3 Ensure that Appeals & Complaints are processed thoroughly, timeously, and appropriately in accordance with procedures.

3.1.4 Protect clients and the business community against human errors and omissions.

3.1.5 Improve Izala Verificators CT efficiency and effectiveness.

4. Delegated Responsibility

4.1 It is the responsibility of the Technical Signatory or MD of Izala Verificators CT to ensure that this procedure is maintained to the standards expected by the stakeholders and the public at large.

4.2 All Appeals & Complaints are to be addressed under the heading "APPEAL" or "COMPLAINT" via email to appeals@izala.co.za alternatively complaints@izala.co.za where they will be handled by the nominated Personnel. This email address is designed for use by the Engagement Team.

4.3 The nominated Personnel will be trained in the significance and procedures of Appeals & Complaints handling.

5. Appeal Procedure

The appeals procedure is/will publicly be available on the website of www.izala.co.za/forms and is included with the Verification Agreement

5.1 Receiving notification of an Appeal

5.1.1 **Verbal Appeal:** All Appeals must be in writing in the prescribed format. No verbal input will be accepted.

5.1.2 Notification Process:

5.1.2.1 If any member of the Engagement Team receives a verbal or written appeal against a B-BBEE finding issued by Izala Verificators CT, the appeal must be forwarded to the MD as well as appeals@izala.co.za within 24 hours of receipt. The MD must email the

APPEALS & COMPLAINTS

This procedure applies to IZALA VERIFICATORS CPT (PTY) LTD personnel, independent contractors and B-BBEE experts working with IZALA VERIFICATORS CPT (PTY) LTD providing B-BBEE verification services.

Appeal Form (**Reg 006-IZA**) - to the client within forty-eight (48) hours of receiving the notification and acknowledge receipt of the appeal.

5.1.2.2 A copy of the email sending the Appeal form must be recorded in the Appeal Register.

5.1.2.3 If after 7 days the Appeal Form has not been returned, the verification analyst will follow up with the appellant.

5.1.2.4 If after a further 7 days the form is not returned, the verification analyst will email the client to inform them that the Appeal is closed. It will be recorded as such in the Appeal register by the verification analyst.

5.2 Appeal Evaluation Process

5.2.1 An Appeal committee is formed to evaluate the Appeal. It will contain suitably qualified individuals relating to the Code or Charter being used for the measurement. The committee's procedure must be followed and a term of reference created:

5.2.1.1 During this time progress reports to the ME concerned should be provided at least every 10 days by email.

5.2.1.2 All proceedings shall be recorded in writing and these records shall be saved and stored in the Appeals file by the verification analyst.

5.2.1.3 All written minutes of Appeals procedures must be converted to PDF and uploaded to the online Customer folder under the Appeals sub-folder by the verification analyst.

5.2.2 No individual, who was a member of the Verification Team of the appellant can sit on this committee. However, the committee may call for their input during the evaluation process.

5.2.3 The decision reached by the Appeal committee is final and binding and will be communicated in writing to the appellant as well as any other person or party which the appeals committee deems to have had an interest in the outcome of the appeal.

5.2.4 The Formal notice of the Appeal Result will be communicated to the appellant in writing by the MD.

5.2.5 Formal notice of the end of the appeal procedure shall be given to the appellant within seven days of the final decision by the Appeal committee by the MD in an email.

5.2.6 All Appeals must be completed and closed within thirty (30) days from the date of the initial lodging of the appeal.

5.2.7 Where the outcome causes a B-BBEE certificate to be re-issued, the re-issue procedure must be followed.

5.2.8 The Appeal Register will be kept up to date by the verification analyst.

APPEALS & COMPLAINTS

This procedure applies to IZALA VERIFICATORS CPT (PTY) LTD personnel, independent contractors and B-BBEE experts working with IZALA VERIFICATORS CPT (PTY) LTD providing B-BBEE verification services.

5.3 Corrective action

5.3.1 If after the appeal evaluation process, it is established that remedial action needs to be undertaken then this Corrective **Proc 017-IZA** is to be implemented.

6. Complaints Procedure

6.1 Receiving a complaint

The complaints procedure is publicly available on the website of <http://www.izala.co.za>

6.1.1 Verbal & Written Complaint:

6.1.1.1 If any individual in the Verification Team receives a verbal or written complaint they must, after confirming that the complaint is formal and requires a response, forward this to complaints@izala.co.za within 24 hours who will record the complaint on form (**Doc 010-IZA**) and be recorded in the (**Reg 011-IZA**) by the administrator. Within one working day, the administrator will email the complainant with a request to confirm the complaint in writing, attaching the completed Form (**Doc 010-IZA**) and to return it to them.

6.1.1.2 If after seven (7) working days (**Doc 010-IZA**) has not been received back, the administrator will send an email reminder to the complainant noting that the complaint will not be escalated until a written complaint is received. If no response is received within a further 5 days, the administrator will note the non-response on the Complaints Register (**Reg 011-IZA**) and the matter will be considered closed. The complainant will be notified in writing.

6.1.2 Evaluating a Complaint

6.1.3 The first step in evaluating a complaint is for the Technical Signatory to determine if the complaint is:

6.1.3.1 Against the process of verification:

6.1.3.2 Against a member of the Verification Team

6.1.3.3 Against the result of the verification

6.1.3.4 Made by a Measured Entity

6.1.3.5 Made by the users of the results of the verification services.

6.1.3.6 Made by a member of the Verification Team

6.1.3.7 Made by an outside organisation or individual.

6.1.4 Where the Technical Signatory concludes that the Complaint falls under the result of the verification (4.2.1.3) it will be treated as an Appeal.

APPEALS & COMPLAINTS

This procedure applies to IZALA VERIFICATORS CPT (PTY) LTD personnel, independent contractors and B-BBEE experts working with IZALA VERIFICATORS CPT (PTY) LTD providing B-BBEE verification services.

6.2 Complaint Management Process

6.2.1 Complaints made by members of the Verification Team against another member of the Verification Team will be handled internally but formally and will be brought to a formal conclusion by the completion of the complainant Sign off form (**Doc 011 -IZA**) - Complaint Result.

6.2.2 Complaints about a verified measured entity must be referred to the measured entity in question by the Technical Signatory within 48 hours of receipt.

6.2.3 Complaints that upon investigation, are based on a misunderstanding and have nothing to do with the verification process, will be handled using the "Invalid" procedure.

6.2.4 All other complaints will be assigned a "Risk" rating based on the following criteria: -

6.2.4.1 **Major:** can have a major impact on a client, Izala Verificators CPT or a member of the Verification Team or bring the entire BEE verification process into disrepute. It requires immediate attention, modifications to outputs and changes in policy, processes, or procedures to ensure it is not repeated.

6.2.4.2 **Genuine:** Is a genuine grievance that needs attention. It may require modification to a specific output and there is an opportunity to improve a system, process or procedure to prevent repetition.

6.2.4.3 **Minor:** It is valid complaint that may require a change to an output but with little impact on any system, process or procedure. It reflects a mistake where corrective action can be taken to prevent the likelihood of repetition.

6.2.4.4 **Invalid:** It is not assessed as realistic or reasonable and requires no changes to any specific output, system, process or procedure.

6.2.5 These nomenclatures will be used in all internal investigative and remedial activities as part of the heading on the documents. They will not be used on any external communications.

6.2.6 Timescales objectives for resolution as below:

Complaint <i>Internal Use Nomenclature</i>	Time to initial review	Time to identify solution	Time to sign off with complainant
Major	24 hours	15 working days	30 working days
Genuine	48 hours	10 working days	10 working days
Minor	48 hours	5 working days	5 working days
Invalid	24 hours	2 working days	3 working days

6.2.7 Individuals involved in complaint resolution:

Complaint	Individuals
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APPEALS & COMPLAINTS

This procedure applies to IZALA VERIFICATORS CPT (PTY) LTD personnel, independent contractors and B-BBEE experts working with IZALA VERIFICATORS CPT (PTY) LTD providing B-BBEE verification services.

Major	A Complaints committee comprising of the MD plus one senior member of staff and an independent professional suitably qualified to assist as per the terms of reference
Genuine	A Verification Partner, Franchise holder were involved plus a senior member of staff
Valid	A Verification Partner and the Franchise holder where involved
Invalid	Verification Partner

- 6.2.8 The decisions and investigations will not be made by or reviewed by individuals involved in the matter that is the subject of the complaint.
- 6.2.9 At all stages of the evaluation and investigation of a complaint, the person doing so shall keep written records and these shall be saved and stored in the measured entity verification file (or personnel file).
- 6.2.10 On establishing the facts and the required action, the complainant will be initially contacted telephonically to communicate the outcome, seek any further input and to establish their response. In all cases the complainant will be contacted in writing and provided with an official response.
- 6.2.11 A sign-off will be requested in writing and the outcome recorded in the Complaints Register. This may not be insisted upon when the complaint is found to be "Invalid".

6.3 Corrective action

- 6.3.1 If after the evaluation process, it is established that the complaint is not Invalid and that remedial action needs to be undertaken, the person tasked to carry out the corrective action or the 'Complaints Committee' shall immediately take the necessary steps to carry out the remedial action.
- 6.3.2 For Major complaints that pose a serious risk as identified in 6.2.4.1 above, the Technical Signatory shall call a special meeting of at least 2 qualified individuals to evaluate possible solutions.
- 6.3.3 For Non-Major complaints that do not pose a serious risk as identified above, the person tasked to carry out the corrective action shall perform the recommended actions and communicate the outcome to the next Management Meeting
- 6.3.4 Solutions identified to rectify any specific problems or implement improvements shall be documented and communicated to the relevant members of the Verification Team immediately. Effected Procedures will be updated using the normal procedure revision process. The Directors shall follow-up the implementation and evaluate at the next Management Meeting.
- 6.3.5 Where a disciplinary action is needed for a member of the Verification Team, that individual's manager or sub-contractor, the Technical Signatory or senior manager responsible for the

APPEALS & COMPLAINTS

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contract, will be informed immediately and confirmation that the disciplinary action has been taken place and the outcome including agreed actions must be reduced to writing and placed in the individual's file.

- 6.3.6 All non-Verification Team related complaints will have the recommended outcome and procedural changes recorded for progress review at a Quarterly Management Review Committee.

6.4 Progress reports and feedback to complainant

- 6.4.1 During the process of any remedial action and/ or disciplinary action, the TS will keep the complainant informed of progress. Such notification will take place at a minimum of 14 days intervals unless otherwise agreed with the complainant.
- 6.4.2 On conclusion of the remedial action or disciplinary action the final decisions and actions taken will be communicated in writing to the complainant as well as to other affected parties.
- 6.4.3 The complainant will be given an opportunity to evaluate the outcome of the remedial action and to respond within 7 days.
- 6.4.4 Where no response is received, the administrator will send a formal notice in writing to the complainant that a written response is required before a complaint is considered closed.
- 6.4.5 When a response is received, the Technical Signatory must consider the response in the light of the original complaint and where necessary perform additional steps required.
- 6.4.6 A Sign off form (**Doc 11-IZA**) - Complaint Result will be requested from the complainant. If this is not received within fourteen (14) days the matter will be considered closed.
- 6.4.7 All proceedings during this process shall be recorded in writing and these records shall be saved and stored in the verification file of the measured entity involved in the complaint.
- 6.4.8 The Verification Manager shall give the complainant written formal notice at the end of the complaints-handling process (at or within the thirty (30) day period) of the outcome of its decision regarding the complaint.
- 6.4.9 Investigation of any decisions on complaints shall not result in any discriminatory actions against the complainant and those investigating a complaint shall be completely independent from the complaint or the activities surrounding the complaint. This is ensured by the Verification Manager who will review the original file to ensure staffs allocated to the investigation were not part of the original evaluation.
- 6.4.10 If the complainant is not satisfied with the outcome of the investigation, the Verification Manager will direct the complainant to the DTI and SANAS.

APPEALS & COMPLAINTS

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7. Terms of Reference

7.1 Purpose and Objectives of the committee:

The Appeals and Complaints Committee must investigate all complaints and appeals, using root cause analysis techniques outlined in the Corrective Action procedures, thoroughly, objectively and accurately within 30 (thirty) days from receipt of the complaint or appeal.

7.2 Output

- Root cause analysis.
- Solution recommendations.
- Final decision communicated in writing to the Verification Manager.
- Corrective action recommendations.
- Progress reports every two (two) weeks in writing to the Verification Manager.

7.3 The schedule and location of meetings for the committee

Ad hoc: As and when complaints / appeals are received then weekly

7.4 Competency requirements of committee members

Committee members must have been deemed competent as per the HR procedures. The person with the most experience and senior role will be appointed chairperson by the MD. Committee members will change depending on the complaint/ appeal origination to ensure impartiality and independence. Due to start-up size a suitably qualified person will be outsourced to be a part of the appeals committee.

7.5 Number of committee members required.

Minimum of 2 committee members, by obtaining independent service provider to assist with appeal.

7.6 Balance of interest consideration of the committee members

All employee records will be reviewed by the Verification Manager to ensure impartiality as well as the measured entities file to ensure independence from the original verification.

7.7 Basic Agenda

- Welcome
- Apologies
- Review of Appeal or Complaint
- Review of Original documentation
- Investigation
- Recommendations
- Decision
- Date of next meeting

APPEALS & COMPLAINTS

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7.8 Minutes of committee meetings

Minutes to be taken by the chairperson using the Minutes template (**Reg 010-IZA, DOC 004-IZA**)

8. Change to a Verification result.

If any complaint indicates that a verification result may have been affected, the Technical Signatory must be notified immediately and must inform the measured entity in writing with the reason. The Certificate re-issue process then must be followed.

9. Management review

9.1 Appeals & Complaints will be a scheduled item on the Management review meeting.

9.2 The Appeals & Complaints register will be examined, and each report item discussed to identify any systemic issues that need addressing or whether there are any negative trends that can be identified.

9.3 Corrective actions that have been implemented as a result of Appeals & Complaints will be reviewed to ensure agreed actions have been taken and that they are effective.

SANAS R47-03: Section 20
Appeals & Complaints: (Pol 002-IZA)
Re-Evaluation: (Proc 013-IZA)
Management Review: (Proc 020-IZA)
Appeals Registration Form: (Form 004-IZA)
Appeal Receipt: (Doc 012-IZA)
Appeal Result: (Doc 013- IZA)
Complaints and Appeals register: (Reg 006-V1-IZA)
Minutes register: (Reg 010-IZA)
Minute Template: (Doc 004-IZA)
Complaint Registration Form: (Form 003-IZA)
Complaint Receipt: (Doc 010 -IZA)
Complaint Result: (Doc 011-IZA)