



Public Statement of Impartiality

The Board of Directors of 5 Star BEE Compliance (Pty) Ltd makes the following public statement on 5 Star BEE Compliance understanding of the concept of *Impartiality* and the importance thereof when managing *conflicts of interest* and to ensure *objectivity* when carrying out our Verification Activities.

Impartiality is the actual and perceived presence of *objectivity*. *Objectivity* means that *conflicts of interest* do not exist or are resolved so as not to adversely influence the activities of 5 Star BEE Compliance .

Synonyms that are useful in conveying the element of *impartiality* are: *objectivity, independence, and freedom from conflicts of interest, freedom from bias, and lack of prejudice, neutrality, fairness, open-mindedness, even-handedness, detachment and balance.*

Being impartial, and being perceived to be impartial, is necessary for 5 Star BEE Compliance to be able to deliver a credible Verification Service that provides confidence to our clients, the public and all other entities in the country.

It is recognized that the main source of revenue for 5 Star BEE Compliance is that of our Client paying for our services and that this is a potential threat to impartiality. Our fee structure will be based upon the degree of responsibility and skill involved and the time necessarily occupied on the work, plus the reimbursement of outlays. We will contract our fees in advance with our clients and will not allow the fact that the payment of fees by clients to become a threat to impartiality.

In order to obtain and maintain confidence, 5 Star BEE Compliance will, at all times, be able to demonstrate that our decisions are based on objective evidence and that our decisions have not been improperly influenced by other interests or by other parties.

Threats to impartiality include:

- Self-interest threats – threats that arise from a person or enterprise acting in their own interest, for example financial self-interest;
- Self-review threats – threats that arise from a person or enterprise reviewing the work done by them. For example, evaluating the B-BBEE compliance of a Client for whom 5 Star BEE Compliance may have provided consultancy, or a staff member or director reviewing his own work in an appeal or complaint procedure;
- Familiarity (or trust) threats – threats that arise from a person or body being too familiar with or trusting towards another person instead of seeking and evaluating objective evidence on which to base the verification conclusion or decision;
- Intimidation threats – threats that arise from a person or enterprise having a perception or experience of being coerced openly or secretly, such as a threat to be replaced or reported to a supervisor if he does not do what the person who is coercing him/her wants.

The above Statement is made by 5 Star BEE Compliance (Pty) Ltd in the interest of transparency and so that all our clients may be aware of our intentions.

Signed on behalf of the Board of Directors of 5 Star BEE Compliance (Pty) Ltd and duly authorized thereto

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Director
5 Star BEE Compliance (Pty) Ltd