



# Ownership Verification Report

# Ubuntu-Botho Investment (Pty) Ltd

**Compiled by:**  
**Empowerdex (Pty) Ltd**  
Tel. +27 (0) 11 883 8548

**Issued:**  
**19 June 2024**  
**Reissued:**  
**N/A**

**Valid Until:**  
**18 June 2025**

© Copyright 2024 by Empowerdex (Pty) Ltd., Ground Floor, Block B, 36 Wierda Road West, Sandton. All rights reserved. ALL INFORMATION CONTAINED HEREIN IS COPYRIGHTED IN THE NAME OF EMPOWERDEX (PTY) LTD. ("EMPOWERDEX"), AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT EMPOWERDEX'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by EMPOWERDEX from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and EMPOWERDEX, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall EMPOWERDEX have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of EMPOWERDEX or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if EMPOWERDEX is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The empowerment ratings, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY EMPOWERDEX IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling. Empowerdex hereby discloses that all Empowerdex-rated companies have, prior to assignment of any rating, agreed to pay to EMPOWERDEX for appraisal and rating services rendered.



## CONTENTS

SECTION 1: INTRODUCTION AND METHODOLOGY .....	3
SECTION 2: ANALYSIS OF THE OWNERSHIP STRUCTURE .....	5
SECTION 3: FINDINGS ON UBUNTU-BOTHO INVESTMENT (PTY) LTD (Based on the Flow-through principle).....	13
SECTION 4: FINDINGS ON UBUNTU-BOTHO INVESTMENT (PTY) LTD (Based on the Modified Flow-through principle).....	15
SECTION 5: CONCLUSION .....	16



## SECTION 1: INTRODUCTION AND METHODOLOGY

### 1.1 INTRODUCTION

Empowerdex (Pty) Ltd (“Empowerdex”) is pleased to present this report on the verified Black ownership status of Ubuntu-Botho Investments (Pty) Ltd. The analysis is based on the Codes of Good Practice on Broad-Based Black Economic Empowerment (“**the Codes**”), gazetted by the Department of Trade and Industry on 31 May 2019, and in terms of Section 9 (1) of the Broad-Based Black Economic Empowerment Act 53 of 2003 or as amended (the Act).

This report is aimed at providing a verified Black ownership status of Ubuntu-Botho Investments (Pty) Ltd and in assessing the impact of the shareholding on the B-BBEE ownership of the investee companies of Ubuntu-Botho Investments (Pty) Ltd.

Where the racial profile of ultimate shareholders and beneficiaries in the structure of Ubuntu-Botho Investments (Pty) Ltd was not determinable, Empowerdex has effectively considered such persons to be non-black and as such, their status would not contribute towards the total level of Black ownership in the organisation, even if they are in reality Black people as defined in the Act.

### 1.2 METHODOLOGY

Empowerdex has based the analysis on the principles contained in Statement 100, Code 100 of the Codes; covering the recognition and measurement of Black ownership. In addition, Empowerdex has reviewed the relevant evidence submitted by Ubuntu-Botho Investments (Pty) Ltd in order to make its findings. The outcome is therefore the Black ownership status of Ubuntu-Botho Investments (Pty) Ltd and allows the company to provide investee companies with an indication of how the investment will affect their contributions to the ownership component of B-BBEE.

The Ubuntu-Botho Investments (Pty) Ltd structure is as follows:



• Sizanani-Thusanang- Helpmekaar Investments (Pty) Ltd	53.69%
• Sanlam Ubuntu-Botho Community Development Trust	19.05%
• B-BBEE Groups	21.42%
• Non- B-BBEE Groups	3.35%
• Treasury Shares	2.49%

The B–BBEE Groups are made up of the following beneficiaries, with each of them holding the following percentages within the structure:

• Provincial Public Companies (including Sanlam staff and Non-executive directors)	12.86%
• The Ubuntu-Botho Women’s Upliftment Trust	0.95%
• The Young Persons Development Trust	0.95%
• The Ubuntu Botho Churches Support Trust	1.91%
• Abafazi-Basadi Ubuntu Botho Investments Ltd	0.95%
• Ubuntu-Botho Nkosi-Kgoshi Investments Ltd	0.95%
• Trade Unions (NEHAWU (0.94%) & SADTU (1.91%))	2.84%

The Non- B-BBEE Groups are made up of the following entities, with each of them holding the following percentages within the structure:

• Navigamus Investments (Pty) Ltd	0.15%
• YEN Investments One hundred and eleven (Pty) Ltd	0.43%
• JC Vision 504 (Pty) Ltd	1.17%
• Nirejo Investments (Pty) Ltd	1.17%
• JVZ Investments (Pty) Ltd	0.43%

The Treasury Shares are made up of the following entities, with each of them holding the following percentages within the structure:



- Metswale (Pty) Ltd 0.95%
- UB Provco Shareholding Co (Pty) Ltd 1.20%
- Before the Wind Investments 261 (Pty) Ltd 0.33%

Each of these structures are analysed below in order to present the overall black ownership status of the consortium and their ultimate impact on the black ownership status of Ubuntu-Botho Investments (Pty) Ltd. Treasury shares have been excluded from the total shareholding on the basis that they are held for reissue. The possession of treasury shares does not give the company the right to vote, to exercise pre-emptive rights as a shareholder, to receive cash dividends, or to receive assets on company liquidation. Treasury shares are essentially the same as unissued capital and therefore reduce ordinary share capital.

## SECTION 2: ANALYSIS OF THE OWNERSHIP STRUCTURE

### 2.1. Black ownership status of Sizanani-Thusanang-Helpmekaar Investments (Pty) Ltd (“Sizanani”)

The shareholders of Sizanani qualify as Black South Africans. Based on the data submitted by the management on the underlying shareholders of this structure, we yielded the following results post verification:

- Black Voting Rights – 99.97%
- Black Women Voting Rights – 25.04%
- Black Economic Interest – 99.97%
- Black Women Economic Interest – 25.04%
- Economic interest in the hands of Black Designated Groups (“BDGs”) – 74.93%,  
broken down as follows:
  - Youth 74.93%
- Black new entrants – 0.00%



The Annual Financial Statements of Ubuntu-Botho Investments for the year ended 30 June 2023 (as audited by PricewaterhouseCoopers) and management representation confirm that the sole shareholder of Sizanani is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the entire issued share capital of which is owned by Trusts, all of which hold those shares for the benefit of Dr. Patrice Motsepe and his immediate family.

The Trust Deeds were reviewed on-site under the supervision of his legal counsel. Those Trusts that are compliant with the requirements of family trusts Annexe 100 (D) of statement 100 of the Codes, have been recognised for scoring purposes.

## **2.2 Black ownership status of Sanlam Ubuntu-Botho Community Development Trust (“SUBCDT”)**

It is a requirement of the Codes that sufficient and accurate evidence must be obtained to prove that the trust was created for legitimate commercial reasons which must be fully disclosed, and that the terms of the trust do not seek to directly or indirectly to circumvent the provisions of the Codes and the B-BBEE Act.

We have analyzed the Sanlam Ubuntu-Botho Community Development Trust (“SUBCD Trust”), which is a 19.54% shareholder in UBI and a ring-fenced shareholder in Sanlam.

From the substantive data provided, the beneficiaries of SUBCD Trust are as follows:

1. Sanlam Foundation (50%) and,
2. Ubuntu Botho Community Development Trust (50%).

The ultimate beneficiaries (in 1 & 2 above) and the value of benefits allocated to Black people in the scheme was more than 85%. This was verified against the audited annual financial statements for the 12 months period ended 28 February 2023, and corroborated with the dividend paid out, to the beneficiaries, subsequently after the financial period.



Based on the substance of the transaction and the requirements of Annexe 100 (B) and the gazetted *Explanatory Memorandum for Gazette on Rules for Discretionary Collective Enterprises* (gazette 44591), the Black ownership from the SUBCD Trust was recognized and yielded the following results:

- Black Voting Rights – 100.00%
- Black Women Voting Rights – 30.75%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 30.75%
- Economic interest in the hands of Black Designated Groups and black broad-based schemes – 45.17%, broken down as follows:
  - 45.17% by Black youth,
- Black new entrants – 49.57%

## **2.3 Black ownership status of Provincial Public Companies and Groups**

The provincial companies and groups consists of entities that span across all provinces of South Africa. The shareholders of the provincial groups are contained within the following entities:

- Ubuntu-Botho Investments (Gauteng) Ltd
- Ubuntu-Botho Investments (Kwa-Zulu Natal) Ltd
- Ubuntu-Botho Investments (Limpopo) Ltd
- Ubuntu-Botho Investments (North West) Ltd
- Ubuntu-Botho Investments (Free State) Ltd
- Ubuntu-Botho Investments (Northern Cape) Ltd
- Ubuntu-Botho Investments (Western Cape) Ltd
- Ubuntu-Botho Investments (Eastern Cape) Ltd
- Ubuntu-Botho Investments (Mpumalanga) Ltd



The ultimate shareholders of this structure yield the following results:

- Black Voting Rights – 100.00%
- Black Women Voting Rights – 49.90%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 49.90%
- Economic interest in the hands of black designated groups – 1.44%
- Black new entrants – 100.00%

Note: The provincial groups consist of public provincial companies along with the “Provinces” and “Extra Sanlam employees” from the “Other Strategic Empowerment Groups”. Therefore, the provincial groups effectively make up 12.86% of the 21.42% held by B-BBEE Groups.

## **2.4 Black ownership status of the Non-executive Directors (overall percentages included as part of Provincial Public Companies \_ Gauteng Ltd**

All members are Black South African as defined in the Codes and the ultimate shareholders of this structure yield the following results:

- Black Voting Rights – 100.00%
- Black Women Voting Rights – 59.92%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 59.92%
- Economic interest in the hands of Black Designated Groups and black broad-based schemes – 0.00%
- Black new entrants – 100.00%





## **2.5 Black ownership status of the Ubuntu-Botho Young Persons Development Trust**

The beneficiaries of the Ubuntu Botho Young Persons Development Trust are Black youth and it was recognised based on the rules of trusts Annexe 100 (B). Based on the verification of the beneficiaries and distributions confirmed in the audited financials the Trust's black ownership was recognized as follows:

- Black Voting Rights – 100.00%
- Black Women Voting Rights – 49.01%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 49.01%
- Economic interest in the hands of black designated groups and black broad-based schemes – 100.00%
  - 100.00% by Youth
  - 100% Black New Entrant

Although the trust analysis was conducted, it must be noted that there are some amendments that have not yet been lodged with the Master of the High Court's office.

## **2.6 Black ownership status of the Ubuntu-Botho Women's' Upliftment Trust**

The beneficiaries of the Ubuntu Botho Womens' Upliftment Trust are Black women and it was recognised based on the rules of trusts Annexe 100 (B). Based on the verification of the beneficiaries and distributions confirmed during the verification, the Trust's Black ownership was recognized as follows:

- Black Voting Rights – 100.00%
- Black Women Voting Rights – 100.00%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 100.00%



- Economic interest in the hands of black designated groups and black broad-based schemes – 100.00%
  - 100.00% by Black youth
  - 100.00% Black New Entrants

Although the trust analysis was conducted, it must be noted that there are some amendments that have not yet been lodged with the Master of the High Court's office.

## **2.7 Black ownership status of the Ubuntu-Botho Churches Support Trust**

The beneficiaries of the Ubuntu Botho Churches Support Trust consists of religious organisations and it was recognised based on the rules of trusts Annexe 100 (B). Based on the verification of the beneficiaries and distributions confirmed during the verification, the Trust's Black ownership was recognized as follows:

- Black Voting Rights – 96.76%
- Black Women Voting Rights – 61.38%
- Black Economic Interest – 96.76%
- Black Women Economic Interest – 61.38%
- Economic interest in the hands of black designated groups– 63.50%, as follows:
  - 47.73% by Black youth,
  - 58.73% by Black people in rural and underdeveloped areas and,
  - 35.06% Black unemployed people.
  - 100.00% Black New Entrant

Although the trust analysis was conducted, it must be noted that there are some amendments that have not yet been lodged with the Master of the High Court's Office

## **2.8 Black ownership status of the Abafazi-Basadi Ubuntu-Botho Investments Ltd**

Currently, the shareholders of Abafazi-Basadi are Black South African women. The ultimate shareholders of this structure yield the following results:



- Black Voting Rights – 100.00%
- Black Women Voting Rights – 100.00%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 100.00%
- Economic interest in the hands of black designated groups and black broad-based schemes – 0.00%
- Black new entrants – 100.00%

## **2.8 Black ownership status of Tailspin Trading 23 (Pty) Ltd – owned by Nehawu**

Tailspin Trading 23 (Pty) Ltd is an entity that is wholly owned by NEHAWU. NEHAWU is one of the trade unions and it holds 98,645 (0.94%) shares in Ubuntu-Botho investments. The black status was verified through review of the B-BBEE Certificate of the investment company, which wholly owns Tailspin Trading 23 (Pty) Ltd, and was confirmed as follows:

- Black Voting Rights – 91.16%
- Black Women Voting Rights – 50.89%
- Black Economic Interest – 91.16%
- Black Women Economic Interest – 50.89%
- Economic interest in the hands of black designated groups and black broad-based schemes – 91.16% (B-BBOS)
- Black new entrants – 0.00%

## **2.9 Black ownership status of the Fifth Season Investments 22 (Pty) Ltd – owned by Sihold**

Fifth Season Investments 22 (Pty) Ltd (“Fifth Season”) owns 200,000 (1.91%) shares in Ubuntu-Botho Investments (Pty) Ltd. Fifth Season is wholly owned by SIHOLD Investment Trust (SIT). The black ownership was verified through the assessment of the B-BBEE Ownership certificate for SIHOLD which yielded the following:

- Black Voting Rights – 91.56%
- Black Women Voting Rights – 46.69%



- Black Economic Interest – 91.56%
- Black Women Economic Interest – 46.69%
  
- Economic interest in the hands of black designated groups and black broad-based schemes – 91.56% (B-BOS)
- Black new entrants – 0.00%

## **2.9 Black ownership status of the Nkosi-Kgoshi Investments Ltd**

The shareholders for Nkosi-Kgoshi are Black South African Traditional leaders. The ultimate shareholders of this structure yield the following results:

- Black Voting Rights – 100.00%
- Black Women Voting Rights – 62.02%
- Black Economic Interest – 100.00%
- Black Women Economic Interest – 62.02%
- Economic interest in the hands of black designated groups and black broad-based schemes – 0.00%
- Black new entrants – 100.00%



## SECTION 3: FINDINGS ON UBUNTU-BOTHO INVESTMENT (PTY) LTD (Based on the Flow-through principle)

According to the verification of the ownership structure, the effective black ownership status of Ubuntu-Botho Investments (Pty) Ltd using the flow through principle is as follows:

- Black Voting Rights: 96.23%
- Black women Voting Rights: 32.01%
- Black Economic Interest: 96.23%
- Black women Economic Interest: 32.01%
- Designated Groups and Broad-Based Schemes: 57.66%
  - Black Youth 53.16%
  - Black Disabled 0.00%
  - Black unemployed 0.69%
  - People living in Rural Areas 1.15%
  - Black Military Veterans 0.00%
  - B-BBOS 2.67%
- Black New Entrants: 28.67%
- Realisation Points: Net Value 95.89%

The flow through principle has been applied in calculating the above scores for Ubuntu-Botho as per the requirements of Statement 100, paragraph 3.3.1 of the Codes. This therefore means that when measuring the rights of ownership of any category of Black people in Ubuntu-Botho, only the rights held by natural persons are relevant. If the rights of ownership of black people pass through a juristic person, then the rights of ownership of Black people in that juristic person are measurable. The principle applies across every tier of ownership in a multi-tiered chain of ownership until that chain ends with a Black person holding rights of ownership. The results represent the percentage of rights of ownership held by different Black individuals, trusts, communities and companies. Based on the analysis of the BEE ownership structures the black



ownership percentage from the different shareholders of Ubuntu-Botho Investment (Pty) Ltd is as follows:

Shareholders of UBI	% held in UBI – excl. Treasury Shares	Black Ownership %	Black Women Ownership %	Black Ownership % Achieved	Black Women Ownership % Achieved	Black Designated Groups % Achieved	Black New Entrants % Achieved
Sizanani-Thusanang-Helpmekaar Investments (Pty) Ltd	55.06%	99,97%	25,04%	55.04%	13,79%	41,25%	0,00%
The Sanlam Ubuntu-Botho Community Development Trust	19,54%	100,00%	38,80%	19,54%	6.01%	8.83%	9.69%
The Ubuntu-Botho Trusts Women's Upliftment Trust	0.98%	100.00%	100.00%	0.98%	0.98%	0.98%	0.98%
The Young Persons Development Trusts	0.98%	100.00%	49.01%	0.98%	0.48%	0.97%	0.98%
The Ubuntu Botho Churches Support Trust	1.95%	96.76%	61.38%	1.89%	1.20%	1.24%	1.89%
UBI (Gauteng) Ltd	1.95%	100,00%	61.19%	1.95%	1.20%	0,00%	1.95%
UBI (Mpumalanga) Ltd	1.40%	100,00%	25.26%	1.40%	0,35%	0,00%	1.40%
UBI (North West) Ltd	1,40%	100.00%	55.38%	1,40%	0.78%	0.10%	1.40%
UBI (Kwazulu Natal) Ltd	1,40%	100,00%	70.40%	1,40%	0.99%	0,00%	1,40%
UBI (Northern Cape) Ltd	1.40%	100,00%	41.11%	1.40%	0,58%	0,09%	1.40%
UBI (Western Cape) Ltd	1,46%	100,00%	49.42%	1,46%	0,72%	0,00%	1,46%
UBI (Eastern Cape) Ltd	1,40%	100,00%	26.81%	1,40%	0,38%	0,00%	1,40%
UBI (Limpopo) Ltd	1,40%	100,00%	55,38%	1,40%	0,64%	0,00%	1,40%
UBI (Free State) Ltd	1,35%	100,00%	69,92%	1,35%	0,95%	0,00%	1,35%
Abafazi Basadi UBI Ltd	0.98%	100,00%	100.00%	0.98%	0,98%	0,00%	0.98%
Ubuntu-Botho (Nkosi/Kgoshi) Investments Ltd	0.98%	100,00%	62.02%	0.98%	0,61%	0,00%	0.98%
Fifth Season Investments 22 (Pty) Ltd (Sihold for Sadtu)	1.95%	91.56%	49.69%	1,79%	0,91%	1,79%	0.00%
Tails핀 Trading 23 (Pty) Ltd for Nehawu	0.96%	91.16%	50.89%	0.88%	0,49%	0,88%	0.00%
Other Shareholders	3.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>			<b>96,23%</b>	<b>32.01%</b>	<b>57.66%</b>	<b>28.67%</b>



## SECTION 4: FINDINGS ON UBUNTU-BOTHO INVESTMENT (PTY) LTD (Based on the Modified Flow-through principle)

According to the verification of the ownership structure, the effective black ownership status of Ubuntu-Botho Investments (Pty) Ltd using flow through principle is as follows:

• Black Voting Rights:	100.00%
• Black women Voting Rights:	32.01%
• Black Economic Interest:	100.00%
• Black women Economic Interest:	32.01%
• Designated Groups and Broad-Based Schemes:	57.66%
○ Black Youth	53.16%
○ Black Disabled	0.00%
○ Black unemployed	0.69%
○ People living in Rural Areas	1.15%
○ Black Military Veterans	0.00%
○ B-BBOS	2.67%
• Black New Entrants:	28.67%
• Realisation Points: Net Value	95.89%

Ubuntu-Botho Investment (Pty) Ltd is deemed 100% black owned based on the modified flow through principle. This principle is in line with the requirements of paragraph 3.4.3.1 of Codes, Statement 100 which states that “where in the chain of ownership, Black people have a flow-through level of participation of at least 51.00%, and then only once in the entire ownership structure of the measured entity, such black participation may be treated as if it were 100% Black.” The modified flow through principle can be applied to other entities within the structure provided they do not already have other black shareholders who have previously applied the



same principle or the exclusion of mandated investments principle. We are not aware of any entities that have applied the principles within the black participants, and companies in this report.

## SECTION 5: CONCLUSION

Empowerdex has taken due care and caution in its verification of the Black ownership status of the shareholding by different participants in Ubuntu-Botho Investments (Pty) Ltd and its findings and conclusions thereon.

Empowerdex has retained copies of the substantive evidence provided by the company to support the conclusions made on its premises in line with the requirements of the 2013 and 2019 Amended Codes of Good Practice and the 2008 Verification Manual. Further supporting evidence is retained at the premises of Ubuntu-Botho Investments (Pty) Ltd.

Signed for and on behalf of Empowerdex (Pty) Ltd

**Authorised Signatory**

**Date: 20 June 2024**