

22 August 2014

**To Whom It May Concern (Samsung approved Service Providers)**

Dear Sir/Madam,

**FORMAL APPROACH BY SAMSUNG ELECTRONICS SOUTH AFRICA (PROPRIETARY) LTD  
(SAMSUNG) IN RELATION TO EARLY PAYMENT TERMS**

Based on its Preferential Procurement strategy and commitment to B-BBEE objectives in general, Samsung supports and strives towards a Procurement plan targeted at preferential payment terms for qualifying B-BBEE suppliers as envisaged in the new Codes of Good Practice and as per General Notice 922 of 2012 issued by the Department of Trade and Industry in the Government Gazzete No. 35862 on 7 November 2012. The following definitions will be used as guidance only and in conjunction with the ICT Sector BEE Scorecard as amended from time to time.

**DEFINITIONS:**

- **Black Empowered** is an entity that is at least 25.1% owned by Black persons and where there is substantial management control by Black persons.
- **Black Owned** is entity that is at least 50.1% owned by Black persons
- **Black Engendered** is an entity that is at least 30.1% owned by Black Women
- **Exempted Micro Enterprise (EME)** is an entity with an annual turnover up to R10million
- **Qualifying Small Enterprise (QSE)** is an entity with an annual turnover of more than R10million, but not exceeding R50million.

Where an approved Samsung service provider is a Black Empowered, Black Owned or Black Engendered entity and with a BEE Recognition of Level 1 to 4 it will be considered for Samsung's Early Payment terms of up to 15 days from receipt of correct invoice. In addition, the entity must be either a QSE or EME as defined above. The entity must periodically provide a valid SANAS or IRBA accredited B-BBEE certificate indicating its black ownership and B-BBEE Contribution Level. An external auditor's letter confirming the EME status and ownership of an EME entity will suffice.

Enquiries relating to the foregoing can be directed to Samsung Procurement Services only via e-mail: [Procurement.SSA@samsung.com](mailto:Procurement.SSA@samsung.com) or facsimile: **086 676 0844**,

Yours faithfully,

**George G. Malebaco** (Head: Procurement)