

## **VODACOM SMME PREFERENTIAL PAYMENT TERMS QUALIFICATION CRITERIA (EXTRACT FROM POLICY)**

### **1. SMME SUPPLIER QUALIFICATION CRITERIA**

#### **1.1 Compliance with B-BBEE:**

Small, Medium, Micro Enterprise (SMME) suppliers must provide the following in order to qualify for the SMME preferential payment terms:

- 1.1.1 Valid B-BBEE rating certificate of Level 4 to Level 1 B-BBEE rating, verification must have been done against the latest audited financial period e.g. the financial period prior to the current financial period;
- 1.1.2 Greater 50% black ownership (Black-owned);
- 1.1.3 Greater 30% black woman ownership (Black Woman owned); or
- 1.1.4 Greater and equal 25.1% black-empowered enterprise.

#### **1.2 Compliance with National Small Business Act:**

1.2.1 signed letter from an independent Chartered Accountant or Auditor confirming in terms of the National Small Business Act, No. 102 of 1996 and the Annual Review of Small Business in South Africa for the period 2006 -2007 Table 1.1 or as amended from time to time, the following:

- 1.2.1.1 Chartered Accountant/Auditor's practice number;
- 1.2.1.2 Company sector as contained in Table 1.1 as below in Annexure A;
- 1.2.1.3 Copy of Supplier's CM2 certificate;
- 1.2.1.4 Total Gross Asset Value (Excluding Fixed Property);
- 1.2.1.5 Annual turnover/revenue;
- 1.2.1.6 Quantity of full time paid employees;
- 1.2.1.7 Audited financial year end period this was based upon; and

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1.2.1.8 Whether the entity we deal with is still trading and have not changed name.

1.3 Annual conformance requirements:

1.3.1 On or before the expiry date of the existing B-BBEE rating, Suppliers must issue Vodacom with the following documentation:-

1.3.1.1 Renewed B-BBEE Certificate; and

1.3.1.2 Confirmation from independent auditor confirming SMME status.

1.4. Non-compliance terms:

Any supplier who fails to comply with paragraph 1.1, 1.2 and/or 1.3 above will be notified within 7 (seven) days following the date of failure of the immediate termination of the preferential payment policy/agreement and will be reverted to Vodacom's standard payment terms.

**2. VODACOM'S STANDARD AND SMME PREFERENTIAL PAYMENT TERMS**

2.1 Vodacom's standard terms of payment is 60 (sixty) days following the end of the calendar month following receipt of a valid and duly detailed invoice and associated monthly statement (whichever is received later).

2.2 Vodacom shall offer Suppliers that qualify as a SMME, a 15 (fifteen) Calendar Days from date of invoice payment term. Calendar Days means a day beginning from midnight and ending 24 hours later. It is one of the 7 days in a week.

**3. SUPPLIERS PURCHASE ORDER, GOODS RECEIPT & INVOICING REQUIREMENTS**

3.1 Vodacom's standard policy is no Purchase Order (PO) no payment.

3.2 With equipment supply, if no Goods Receipt Note (GRN), no payment.

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- 3.3 Invoices received without a PO and/or GRN will be rejected and credit note requested.
- 3.4 GRN's must be signed by the relevant Vodacom representative in duplicate one kept by each party.
- 3.5 Electronic copy of the signed GRN must be e-mailed to the Vodacom Requestor as stated on the PO.
- 3.6 Invoicing must be sent on the same day the invoice was generated by the Supplier, electronically (via e-mail) to Vodacom Accounts Payable Division and to the Vodacom Requestor as stated on the PO.
- 3.7 Invoices must be e-mailed to Vodacom in either a "pdf" or "tif" file format and must no longer be send to Vodacom's regional offices.

Invoice related e-mail addresses are:

- Invoices must be send to "[finopssupplierinvoices@vodacom.co.za](mailto:finopssupplierinvoices@vodacom.co.za)"; or
- Invoice queries must be send to [finopssupplierqueries@vodacom.co.za](mailto:finopssupplierqueries@vodacom.co.za);

Whilst the preferred invoice delivery method is e-mail, in instances where invoices must be hand delivered it must be send to:

Vodacom (Pty) Ltd  
126 – 14<sup>th</sup> Road  
Finance Operations Team  
Midrand  
1685

- 3.8 All invoices must reference the Vodacom PO number and must have a copy of the signed GRN attached thereto (electronic and original).
- 3.9 Invoices that do not qualify as a valid Tax Invoice shall be rejected.

- 3.10 The Vodacom system generated receipting number is not a requirement for invoicing, this is an internal Vodacom generated number and shall not impact Suppliers ability to invoice.
- 3.11 In some instances a PO is generated after receipt of the Supplier's invoice, this shall only apply with certain services and shall not apply in instances of the supply of products/equipment, the 15 (fifteen) Calendar Days payment period shall be from date of PO.



**Table 1.1: Thresholds for the classification for micro, very small, small and medium enterprises**

Sectors or sub-sectors in accordance with the Standard Industrial Classification (SIC)	Site or Class	Total full-time equivalent of paid employees (Less than)	Total annual turnover (Rm) (Less than)	Total gross asset value (fixed property excluded) (Rm) (Less than)
Agriculture	Medium	100	5.00	5.00
	Small	50	3.00	3.00
	Very small	10	0.50	0.50
	Micro	5	0.20	0.10
Mining and Quarrying	Medium	200	39.00	23.00
	Small	50	10.00	6.00
	Very small	20	4.00	2.00
	Micro	5	0.20	0.10
Manufacturing	Medium	200	51.00	19.00
	Small	50	13.00	5.00
	Very small	20	52.00	2.00
	Micro	5	0.20	0.10
Electricity, Gas and Water	Medium	200	51.00	19.00
	Small	50	13.00	5.00
	Very small	20	5.10	1.90
	Micro	5	0.20	0.10
Construction	Medium	200	26.00	5.00
	Small	50	6.00	1.00
	Very small	20	3.00	0.50
	Micro	5	0.20	0.10
Retail and Motor Trade and Repair Services	Medium	200	39.00	6.00
	Small	50	19.00	3.00
	Very small	20	4.00	0.60
	Micro	5	0.20	0.10
Wholesale Trade, Commercial Agents and Allied services	Medium	200	64.00	10.00
	Small	50	32.00	5.00
	Very small	20	6.00	0.60
	Micro	5	0.20	0.10
Catering, Accommodation and Other Trade	Medium	200	13.00	3.00
	Small	50	6.00	1.00
	Very small	20	5.10	1.90
	Micro	5	0.20	0.10
Transport, Storage and Communications	Medium	200	26.00	6.00
	Small	50	13.00	3.00
	Very small	20	3.00	0.60
	Micro	5	0.20	0.10
Finance and Business Services	Medium	200	26.00	5.00
	Small	50	13.00	3.00
	Very small	20	3.00	0.50
	Micro	5	0.20	0.10
Community, Social and Personal Services	Medium	200	13.00	6.00
	Small	50	6.00	3.00
	Very small	20	1.00	0.60
	Micro	5	0.20	0.10

This is an Extract from the "Annual Review of Small Business in South Africa for the period 2006-2007".

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