



SAFE WORKING PRACTICE

FRANCHISE OPPORTUNITY

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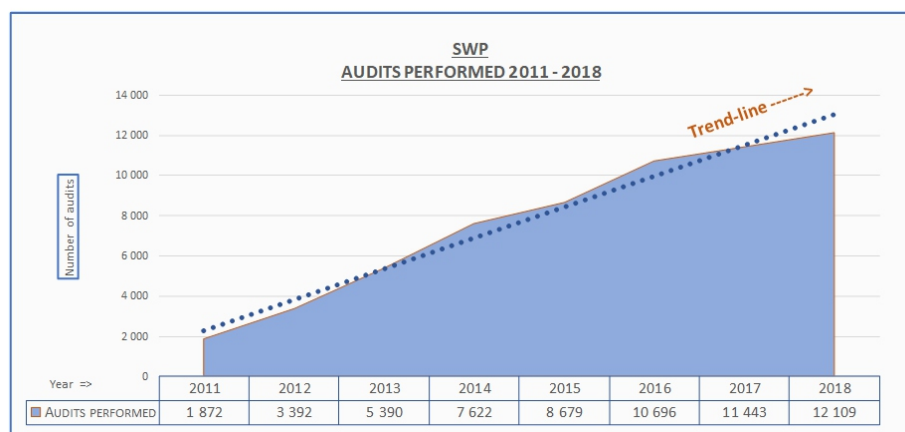


INTRODUCTION

Safe Working Practice (SWP) is a franchise company providing Health and Safety compliance services to businesses and projects, as required by the Occupational Health & Safety Act.

SWP comprises of 14 franchisees and 3 company owned branches located throughout South Africa, and branch in Australia. We perform more than 12 000 safety audits per year and we are one of the biggest safety consultancies in South Africa. We show consistent year-on-year growth despite general challenging economic conditions faced by most businesses in South Africa.

Part of our success is that we are sensitive and responsive to evolving business requirements. We adapt to changes and new technologies in the various fields we operate in, and we are committed to our clients and our business.



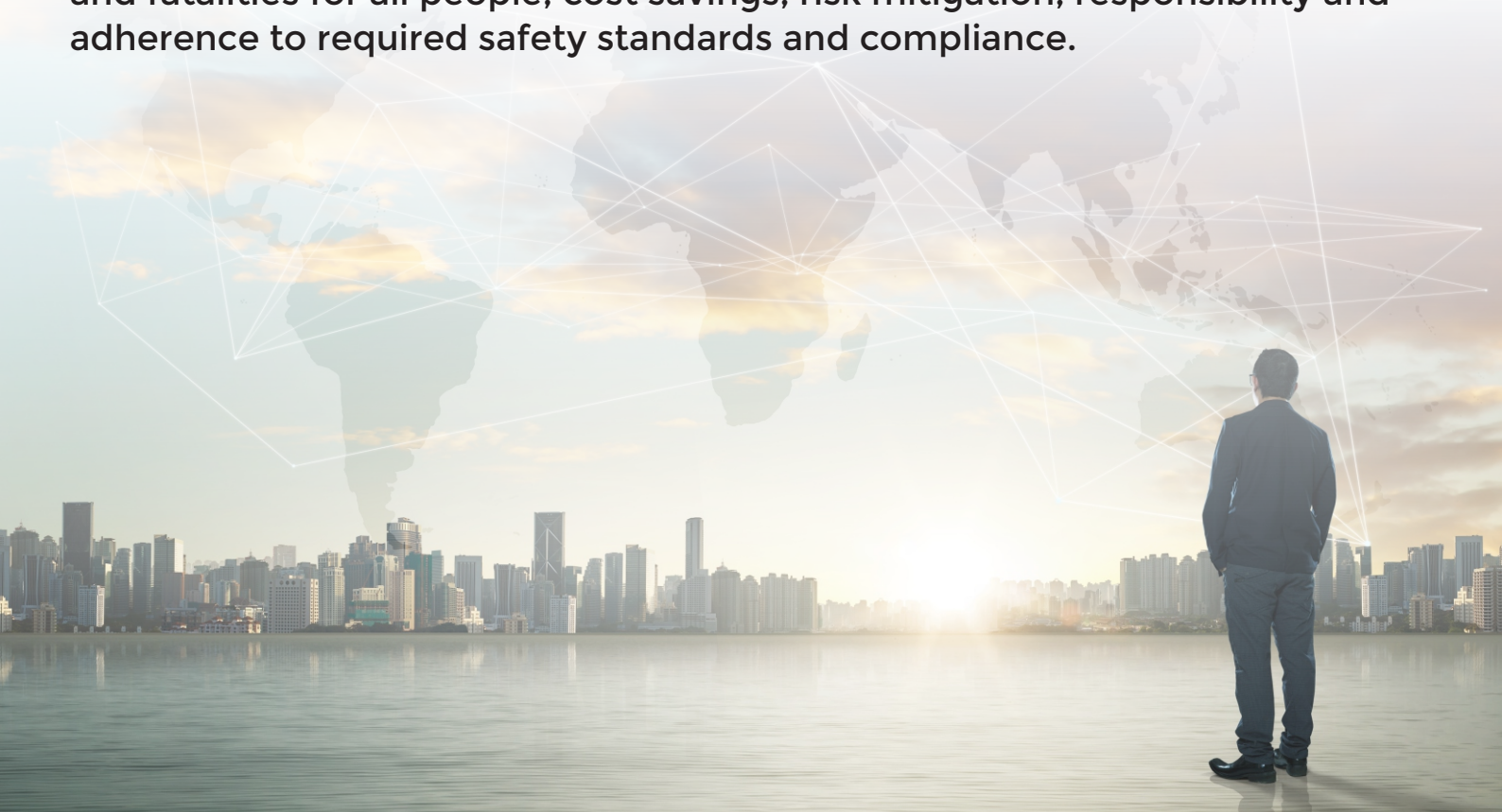
OUR VISION AND MISSION

Our vision is to have a sustainable business providing cost effective and professional Health and Safety services, with an emphasis on quality and meeting client requirements.

Our vision includes staying up to date with the latest trends in the market. The 4th industrial revolution is bringing changes to all business sectors; we see banks closing branches because people prefer online banking, businesses are closing outlets because people opt for shopping online. We foresee that manual Health and Safety systems will also phase out over the next few years, hence our development of i-Manage Safety.

For the past 11 years, we have been advising companies on health and safety and related compliance solutions, in a country where not many people are clued up or sensitive towards such things. This has given us the opportunity to learn from the many challenges that companies face as well as the chance to contemplate and engineer valuable solutions to these issues.

Our mission is to positively change people's attitude towards Health and Safety. Employers and employees must understand and buy-in on the reasons for and benefits of having an effective Safety Management System. These benefits include having a safe working environment, reduced injuries and fatalities for all people, cost savings, risk mitigation, responsibility and adherence to required safety standards and compliance.





HISTORY AND BACK-GROUND

SAFE WORKING PRACTICE (SWP) started as a Health and Safety (H&S) Consultancy in the Western Cape in 2009. At that stage, our focus was on the Construction Industry and we have established a good reputation in this industry over many years.

From the success in the construction industry, we consequently developed and expanded our business into other industries such as schools and education, manufacturing, factories, production plants and agriculture. Day-to-day, we continue to expand and grow our business to new business sectors.

Safe Working Practice has developed i-Manage Safety in response to the growing demand for a comprehensive health and safety management system. We provide our clients with an electronic safety management system to revolutionize their Health and Safety systems, as well as the proper training to upskill their employees to adapt to the growing requirements for Health and Safety and Food Safety. The system is accessible from anywhere in the world and allows our clients to effortlessly monitor and manage their legal compliance by means of a dashboard. Our team understands the importance of onboarding in the success of any management system and do our best to ensure that there is full buy-in from all parties.

SWP has a well-spread national franchise network in place with the Head-Office located in Gordons Bay, Western Cape. Our trained franchisees ensure that work gets done professionally with fast reaction time. Our pricing is very competitive because of our national footprint.



UNDERSTANDING HEALTH AND SAFETY

- a. South Africa has the Occupational Health and Safety Act 85 of 1993, which has 50 sections (each has rules and regulations) and 22 regulations. The Act falls under the Department of Labour and subscribe minimum standards that an employer and employee must comply with. This means that whatever is stated as a requirement by the OHS Act is the least that needs to be addressed. More safety measures could be put in place depending the nature of your work or your work environment, but not less.
- b. It is important to understand the requirements and expectations placed on employers and employees by the OHS Act. According to Section 8 of the OHS Act the employer must provide and maintain a safe and healthy working environment. What is safe? Safe means free from hazard. What is a hazard? A hazard is the source of or exposure to danger. What is danger? Danger is anything that can cause harm to people, property, processes, products and environment. The minimum standard is then a working environment that is free from any exposure to anything that can cause harm to people, property, products, processes and environment. This is the minimum requirement by the OHS Act and it must be complied with.
- c. The OHS Act is self-regulatory; this means that neither the Government nor the Department of Labour will implement day-to-day compliance to the Act. The Act informs the Employer what is required by law and place the onus of how to implement, maintain and enforce it on the Employer.

d. During ad-hoc un-announced inspections by the Department of Labour or worse, when an incident or accident happens in your workplace, the Department of Labour will come not only to determine whether you have complied with the minimum standards of the OHS Act but also to verify whether you are enforcing this Act. Enforcing the Act is part of vicarious liability, meaning that the employer has the power and authority to enforce safety measures in their work situation. According to vicarious liability and should an employee act contrary to it, or omit to act in accordance with it, or against the safety measures in place, it is deemed that the employer did not exert his authority - bestowed by the Act - to ensure his employees act responsibly in working safely and maintaining a working environment free from hazards. As such, the Department of Labour will always first look at the employer and their duties regarding compliance to the Act.

We firmly believe that our SWP-mission to positively change people's attitude towards H&S and that employers and the employees understand and buy-in on the reasons for and benefits of having an effective Safety Management System, which will eliminate many of these risks - safety must become part of our everyday lives; at work and at home.



REQUIREMENTS TO BECOME A SAFE WORKING PRACTICE FRANCHISEE

To be a successful SAFE WORKING PRACTICE franchisee, you must be dedicated, love working with people, be IT-savvy and willing to learn quickly. As reward you will meet very interesting people and see new places i.e. we have been involved in revamp-projects on Robben Island, construction of water lines in Cape Point Nature Reserve and a pipe-line in the sea at Plettenberg Bay, we work at many renewable energy sites (wind, solar and hydro), perform audits at many interesting road works, bridges and tunnel sites through-out the country, do audits at various national brands and retailers in their premises / warehouses, work at schools and commercial farms, etc.

A background in Health and Safety would be preferred. Experience in the Construction, Manufacturing and Engineering industries will be good for our traditional business-model, but as the i-Manage Safety software has functionality that could be applied in many industries, you could focus your franchise towards an industry or business sector you have previous experience in i.e. the Services Sector, Retail, Tourism, etc.

You will receive formal classroom training and practical on-site sessions up to a level where you are competent and confident to work on your own. It is, however, a steep learning curve.

Your training period will be a minimum of 6 weeks. The training, setting up of your business and time required to get into the market will require you to make provision for running capital for approximately 4 - 6 months.





YOUR DAY WILL CONSIST OF

Our Business model: Our work is a balance between marketing, liaising with clients, safety auditing and site visits, i-Manage software implementations and office functions. It is not a retail shop where you unlock the same door standing behind the same counter serving the same products to the same clients each day. This is also not just another business opportunity, but a career path.

Our typical business model is for new franchisees to start off as a single person and then build a client base. As soon as your client base grows too big for yourself to manage and / or you can afford it, you appoint another skilled person i.e. a Safety Consultant (or consultants) to attend to site visits, while you focus on further growth and developments in your business.

Marketing:

You will have to manage marketing opportunities with a keen eye on tender bulletins and on-line marketing leads, follow up with clients on current and upcoming projects, make appointments to demonstrate i-Manage Safety software, attend local networking events, etc.

To support our franchises, we have - on our in-house SWP Back-Office System - links to various marketing databases to provide leads and information for upcoming projects.

Other marketing tools are:

- o Our website is close to the top on Google. If you Google most of the Health and Safety keywords, SAFE WORKING PRACTICE should be on the first page. Enquiries that come through the website are referred to franchisees in their relevant areas. We average more than 5000 hits per month on our site.

- o Word of mouth is one of the best ways to gain new business. We often find that one client refers us to another.
- o We also attend site and clarification meetings which provide excellent networking opportunities.
- o Our franchise network covers the whole of South Africa and that gives us a competitive edge above all rivals. We technically have the functionality to do an audit for a client on site and upload the report with photos to our server and mail it to the client while the consultant is still on site to discuss improvement. We can be the client's eyes and ears on the ground.
- o Every company where there is an employer / employee relationship or where you work with members of public is a prospective client.
- o The i-Manage Safety software is a great support tool with excellent possibilities to penetrate various markets and to gain a competitive edge in technology.

At this point, you could probably list several people and companies who you know would benefit from our services. How much development and how many construction sites do you see daily in your area? Besides, all the media coverage related to Health & Safety gives exposure and open doors for business.

Typical people / clients you will get in contact with are:

- o Senior Management and Board Members.
- o Health & Safety Manager / Officers / Representatives.
- o Project Managers, Developers and Architects.
- o Consulting Engineers and Quantity Surveyors (QS).
- o Contractors and Site Managers.
- o Health Inspectors.
- o Business Managers.
- o Departmental Managers (Support, HR, Procurement, IT personnel – related to i-Manage Safety software).
- o Factory / Production Managers and Supervisors.
- o Workshop Personnel, etc.

Site Visits and System Implementation:

Liaison with clients on sites, doing site audits and inspections.
For i-Manage: system implementation and/or supervision, work with client and part of the project-team, have meetings / monitor progress, planning and execution implementation, uploads, data verification, training users of the system, etc.

Typical services include activities and inspections related to:

- o Safety Managements Systems
- o Occupational Health & Safety Audits
- o Health and Safety Inductions
- o Regulatory updates of amendments, procedures and requirements to the Act.
- o Safety Plans, Safety Files, Safe Work Procedures
- o Construction Work Permit Applications
- o Labour Department Representation
- o Premises Audits
- o Method Statements, Fall Protection Plans, Emergency Evacuation Plans
- o Incident Investigations

Office Duties:

All work done requires data reporting, inputs and updates on our centralised on-line SWP Back-Office System. The SWP Back-Office System is the backbone and the back-up of all work performed throughout the SWP-Group, for access and management by individual franchisees as well as for Group Reporting purposes. These inputs include the scheduling, quotes, risk assessments, safety plans, admin duties and updates, site reports, invoicing etc.; all part of your working day.





i-MANAGE SAFETY

The aim of the i-Manage Safety system was to revolutionize and optimize the way Health and Safety Systems were 'traditionally' ran i.e. from mainly manual systems, working in silos and information not always readily available, to a system where having real-time information and managing activities on an integrated IT-system.

The i-Manage Safety software was also designed in line with ISO 45001: Occupational Health and Safety Management. As an international standard, ISO 45001 crosses geographic, political, economic, commercial and social boundaries and can help deliver the following benefits:

- o Increase organizational resilience through proactive risk prevention.
- o Innovation and continual improvement.
- o Strengthening of legal and regulatory compliance whilst reducing business losses.
- o Demonstrates brand responsibility by committing to safe, healthy and sustainable work.
- o One global occupational health and safety system for all businesses, of all sizes.

Why do traditional Safety systems fail?

- o Lack of knowledge and of the risks and implications what Health & Safety entails.
- o Difficulty to set specific standards i.e. a Head-Office with branches, a Company and its departments or for having a specific set of standards at a site or operation i.e. construction client and sub-contractor alignment, or operating entity's procedures vs contractor procedures.
- o Budget constraints; no money for H&S in the budget but always money available when you need to defend in court or after somebody got hurt
- o Lack of (or not having) timely, truthful and transparent reports; difficult to determine risks and information is often relatively old.
- o Employees who are responsible for Safety Reporting often see it as just extra workload and a paper exercise because of the non-responsiveness of paper systems.
- o Specific knowledge and experience of safety professionals may be limit.

What is the solution to the above?

Having a Safety Management System that has good communication channels, measures specific requirements, monitor quick responses, have proper tracking of events and formal back-up data storage functionality, ability to assign and control tasks, accurate and timely reporting, etc. will solve many of the issues mentioned above.

The i-Manage Safety Software is thus the perfect answer!

Obviously, general safety awareness and positive buy-in by the client – driven and enforced from the top and by Senior Management, combined with skilled and motivated people to do the job, will be necessary to make this successful.

A few notes to explain what some of these main items / sections of the i-Manage Safety software contain:

- o **Persons** - all persons are imported into the system. On a person's profile you can view his roles, appointments, required documents and all training courses.
- o **Legal appointments** - all legal appointments can be created and training requirements and required documents linked to the appointment. The system will monitor and display all outstanding documents.
- o **Policies** - company policies can be created, administered, uploaded and communication sessions created to ensure that policies are communicated to employees.
- o **Fire emergency** - The system will monitor when fire and emergency drills took place, needs to take place and to record the results there-of.
- o **Incident investigation** - all incidents and accidents must be recorded on the system. The required documents that must be completed per severity of the incident / accident will automatically be linked for investigation purposes.
- o **Toolbox talks** - Toolbox talks can be created in a specific cycle.
- o **Risk management** - Various Risk assessments can be done.
- o **Audit reports** - Any audit report or checklist can be created and set to a specific cycle. All non-conformances on the audit can be escalated to a person for actioning. Photos with captions can be added to the audit.

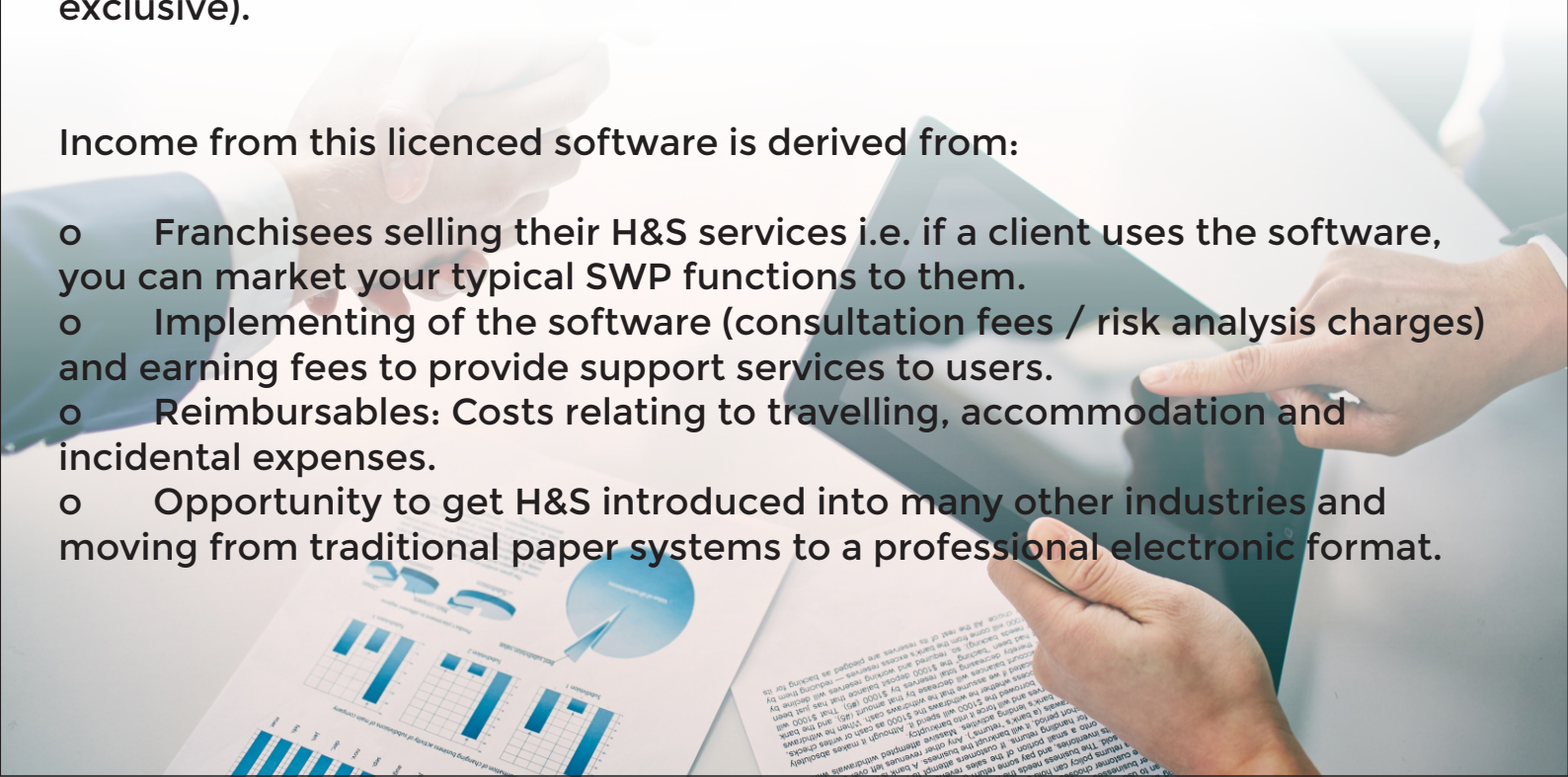
- o **Safety file export** - You can export a hard copies of safety files.
- o **APP Driven** - If you have a smartphone you can access registers via the internet and complete it wherever you are.
- o **Real-time Dashboards** - View your level of compliance and items that require attention on a customised Dashboard.
- o **Security** - Username and password controlled. Users can only see what they have been granted access to by the administrator.
- o **Drill-down functionality** - View and manage all branches or departments from a single point.
- o **Actions required** - Create an action against any item that needs attention and assign to the relevant person for actioning. All actions are recorded.
- o **Nagging system** - System sends reminder e-mails on items that require attention.
- o **Real-time reports** - Accurate, customisable reporting and showing business' compliance status available at any given time.

The system is tailored to operate either as a business stand-alone requirement or as a Corporate Head-Office with drill-down Branch (or Departmental) options.

This system is a great income opportunity to grow your franchise. There are very few systems like this in the market available and all franchisees automatically qualify to become licenced agents for this software (non-exclusive).

Income from this licenced software is derived from:

- o Franchisees selling their H&S services i.e. if a client uses the software, you can market your typical SWP functions to them.
- o Implementing of the software (consultation fees / risk analysis charges) and earning fees to provide support services to users.
- o Reimbursables: Costs relating to travelling, accommodation and incidental expenses.
- o Opportunity to get H&S introduced into many other industries and moving from traditional paper systems to a professional electronic format.



As much as Health and Safety is a legal requirement, our electronic safety management system can add value to our clients' business processes. To name a few:

Accessible from anywhere, anytime

The system can be accessed from anywhere in the world, if you have an Internet connection.

Dashboard summary

You can view your company's legal compliance on a dashboard in real time. There is no need to search in a safety file to get the understanding of what is going on in your safety management system.

Branch Oversight

Drill down from head office to a branch and view their legal compliance in real time.

Risk Management

Risk Assessments are done electronically including control measures and safe work procedures from a central database pre-approved by the risk assessor. Communication sessions thereof can be monitored.

Saving you time

Various reporting pages will allow you to identify shortcomings and non-conformances, for example training requirements, maintenance requirements, registers that must be completed, etc.

Saving you money

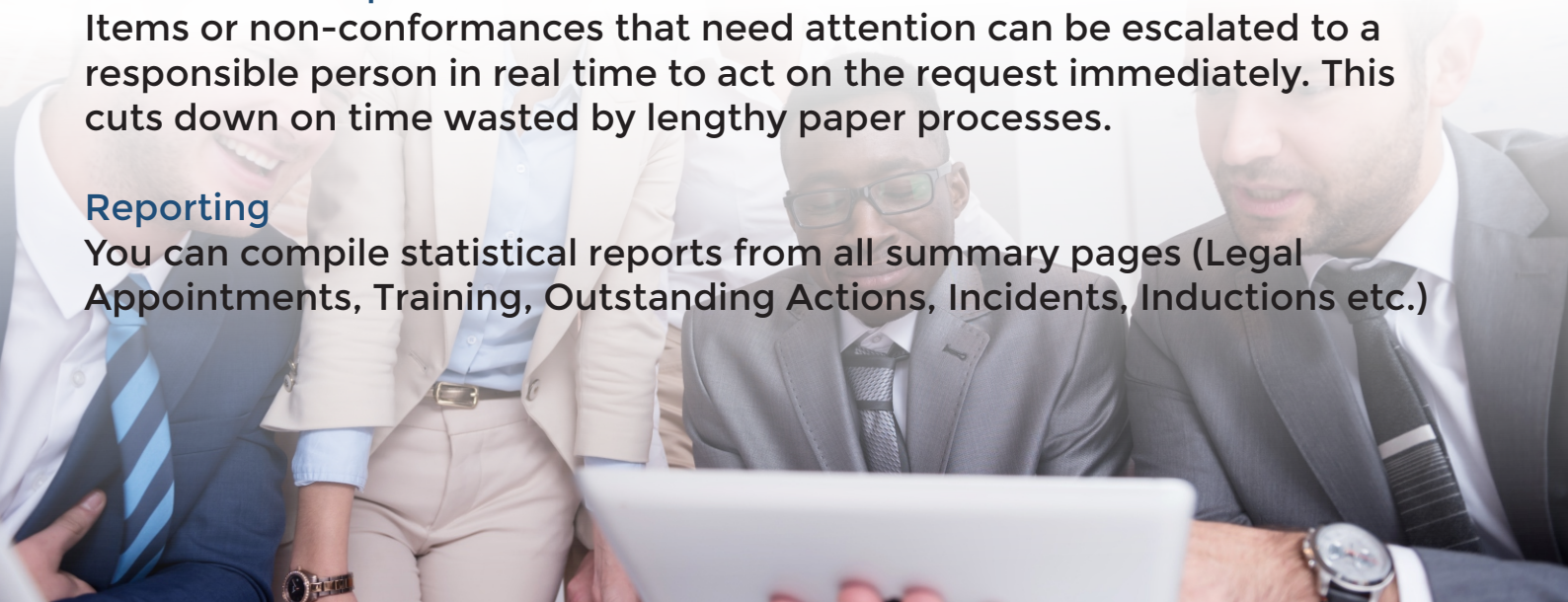
You can plan and avoid crisis management. Timeous maintenance that is controlled through the register module will enable you to fix equipment before they break.

Accelerate the pace of business

Items or non-conformances that need attention can be escalated to a responsible person in real time to act on the request immediately. This cuts down on time wasted by lengthy paper processes.

Reporting

You can compile statistical reports from all summary pages (Legal Appointments, Training, Outstanding Actions, Incidents, Inductions etc.)



Putting you in control

There is no need to ask the safety officer for a report of your legal compliance. You can compile your own requirements and reports in your safety management system.

Accountability

You can hold employees accountable if non-conformances were escalated to them and they did not act on it. The system creates a disciplined approach to tasks.

Maintenance module

The maintenance module makes it possible to create maintenance schedules against assets and the intervals are checked through the register module. Maintenance can now be planned to cut down on repair costs and guarantees that expire.

Workflow

The system can send you reminder emails on any workflow in the system on items that require attention.

No more pre-audit mayhem

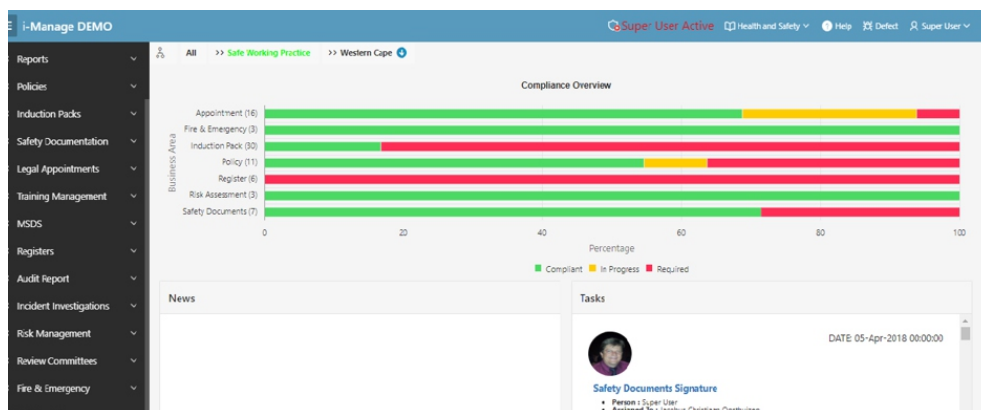
Because you have permanent compliance on your dashboard you don't have to panic before your company is audited by an external party.

KPI's

Key performance indicators can be monitored through the register module and exported to graphs that will allow you to monitor important business trends.

App driven

The system can be run from a tablet or cell phone that has internet capabilities.





BENEFITS OF BEING PART OF THE SAFE WORKING PRACTICE FAMILY

Benefits of being part of the SWP Franchise:

- o **I-Manage Safety:** Our target market with I-Manage Safety is national companies who have problems with standardisation of documentation and control of safety in their branches. When we sign a national company, the closest franchisee will have to do the implementation at the branch in their area. We therefore need to fill all open areas.
- o **Data Pool:** Our collective experience in the company calculates to hundreds of years. Being part of the SAFE WORKING PRACTICE family, you will share in the data pool. If you are therefore in a situation where you may need specific information or inputs, chances are that someone else already did that and he/she could advise you accordingly; or information is on our database.
- o **Support:** Our infrastructure is in place. Help is just a phone call away. You are never alone.
- o **Training:** We value knowledge very high. We do group training on a regular basis. Site related issues are discussed in our monthly meetings. To add to our professional status, we also assist our franchisees to, as far as possible, get registered with professional bodies such as SACPCMP.
- o **Systems:** Our system is proven and works well. We currently conduct more than a 1000 audits per month.
- o **Research and development:** We are leaders in the field; we strive to be the best and will therefore keep on improving our product / service. Our SWP Software was developed in-house, and we keep it updated and /or make enhancements to suite specific needs.

- o **Licensed use of i-Manage Software:** You will get benefits from marketing, implementation, maintenance and spin-off work from using this business tool. (SWP Franchise (Pty) Ltd is a licenced agent of i-Manage Safety software). Please note that this license is non-exclusive i.e. nor SWP Franchise or it's franchises can claim that they have exclusive use, specific areas or any privilege relating to the use of the license.
- o **Referrals:** We refer business from one franchise to another. Business leads often spill over from one franchise (area) to another; particularly regarding national clients having regional workplaces.
- o **Leads:** We are registered on various databases where marketing leads are generated from and distributed through our online marketing system.
- o **National Footprint:** No other H&S-consultancy can deliver a cost-effective national footprint as we at SAFE WORKING PRACTICE. We can do audits for a national client in all the major cities on the same day and have the report on the CEO's desk the same day.
- o **Proven Concept:** If you stick to the SAFE WORKING PRACTICE business concepts, you are guaranteed to succeed. We have a proven track record.
- o **Back-up:** If it should ever happen that you cannot do your audits, a neighbouring franchisee could always stand in for you.
- o **It is a relatively easy business to operate and manage:** Straight-forward rules and business practices, easy to set-up (even from your home).

Head Office and their role

- o The SWP Head Office consists of a Finance & Administration department, Marketing team and an IT section. They ensure that administrative inputs, quality control, developing of compliance files for the specific industries, procedures, new compliance updates, group advertising / marketing / promotion and branding, general correspondence, electronic and IT updates, etc. are attended to.
- o Head Office is responsible for the effective running of the SWP Back-Office System.
- o In general, our helpful Head Office team is there to provide a supporting structure and will assist you to nurture and expand your business at a pace you can control and manage.

THE OPPORTUNITY

For a business to succeed and grow, many criteria could be tabled. In our business model, key elements to consider and that added to our success include:

- o Providing a professional service that is essential by law.
- o Proven, established and working concepts.
- o Being independent but not alone.
- o Back-up, assistance and support.
- o No need for money tied up in stock or products.
- o Affordability across the whole industry.
- o Availability.
- o Recurring benefits.
- o Standards and Quality control.
- o Low risk.
- o Ongoing research and development.
- o National exposure.
- o Residual / Perpetual income.

The **SAFE WORKING PRACTICE** business-model was proven over many years. We have the experience and have built trust and credibility in the OHS industry. We have over the years developed and cemented sound long-term client relationships and contracts (small- and medium businesses, national enterprises and State departments) within various industries.

In owning your own area franchise, you can share in this exemplary business – second to none and backed by years of dedicated, committed and passionate people who not only make an outstanding living and lifestyle from this opportunity, but also love what they do.

This business could be started as a small business and has ability to grow exceptionally. It can also be an excellent family business and as you grow, new job opportunities are created.





SAFE WORKING PRACTICE is a very stable business. Looking back through history, no matter what the economic climate, there will always be development and a future.

WHERE DO YOU MAKE MONEY?

The products that we sell:

Construction Industry

We tender per project and your services will run over the extend of the project. There is two functions that we deliver here:

Safety Agent Function

- Safety specifications and baseline risk assessment
- Assessment of the PC safety plan
- Site audits as arrange with the project client
- Close out audit

Safety advisor function (conventional files or I-Manage Safety in future)

- Compile safety files
- Compile safety plans, risk assessment, method statements
- Safety advisor audits
- Incident investigations

Industry (conventional files or I-Manage Safety)

- Cap analysis
- Monthly licence fee
- Set-up I-Manage Safety system
- Implementation of system
- Customise supporting documents – risk assessments, incident investigation, induction packs, etc.
- Premises audits
- Act as safety officer

YOUR FRANCHISE

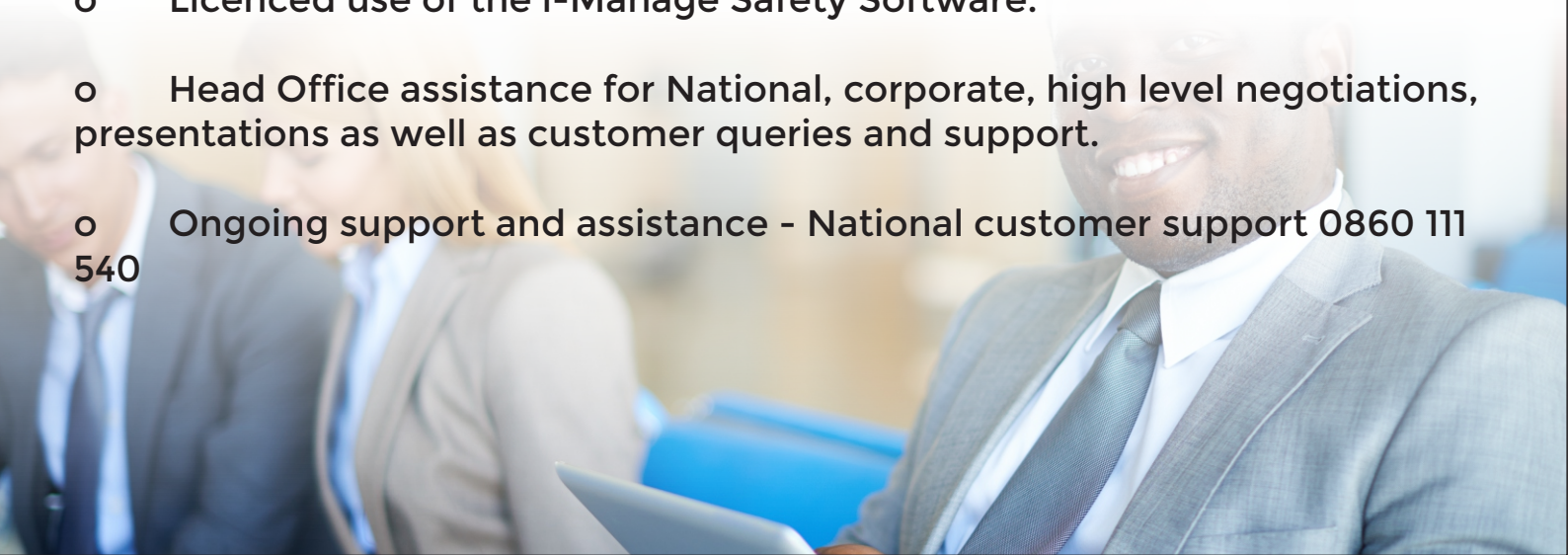
We are marketing our franchise-areas in line with our growth and with due consideration of economic and technical developments. As such, we are limiting the amount of franchises on offer and we are selective in getting the right match and relationship between franchisor and franchisee, reason being that we would like to have a long-term and successful relationship between all who are part of **SAFE WORKING PRACTICE**.

Area franchises are available from R 495 000 (Four hundred and ninety five Thousand Rand) excluding VAT and may vary depending on area size.

Franchise fees are charged monthly, based on the sales excluding VAT for your specific franchise. The franchise fee is 10% and Marketing fee is 2%.

Included in purchase price is:

- o Area exclusivity.
- o Full training. Your 6 weeks training (for one person) will be done at our premises in Gordon's Bay, Western Cape (50 km from Cape Town). The training is professionally facilitated and include practical- and field training, getting exposure to operating sites and have interaction typical of your daily activities. We will also assist with training of your staff; if required.
- o Operations systems access / on-line (SWP Back-Office System).
- o Brochures and templates.
- o Head-Offices assisted advertising – market awareness, brand awareness.
- o Shared national leads.
- o Licenced use of the i-Manage Safety Software.
- o Head Office assistance for National, corporate, high level negotiations, presentations as well as customer queries and support.
- o Ongoing support and assistance - National customer support 0860 111 540





Other items included in the package:

- o Initial start-up pack and templates.
- o Corporate clothing (x 1 set).
- o PPE i.e. hard-hat and pair of safety shoes.
- o Business cards.
- o Vehicle signage.
- o SWP and i-Manage Safety Intellectual property.

Business needs that you as Franchisee must have to get started:

- o Reliable transport.
- o A laptop and internet connection.
- o Printer, copier, fax machine.
- o Cell-phone.
- o Stationery, other office equipment.
- o A basic equipped office or workplace (could also be a dedicated office working from home).
- o Arrangements for the administration and running of your personal and business financial, legal, taxation, statutory affairs.
- o Working capital and savings to carry you financially for 4 -6 (four to six) months.
- o Cash for incidental expenses such as transport and accommodation during training period.
- o Finally... your personal commitment, dedication and motivation!

CONCLUSION

This low-risk franchise opportunity offers the surety of excellent Franchisor support, training, driven by powerful systems software, and a national network of franchisees to equip you to hit the deck running.

For any further information, please do not hesitate to contact us.

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Brochures and additional information are available on request.

