



MESSAGE FROM THE MD



It's hard to believe that we are already halfway through 2015. The first 6 months of this year have been extraordinary in terms of growth for our region but we have had our fair share of challenges as well. Year on year it becomes more difficult to do business, with the ever-increasing demands for cost savings by our customers resulting in reduced manpower on sites and lower costs. These put pressure on the company to perform, as the shareholders expect that we handle their investments responsibly. We try our utmost to accommodate our customers' needs for manpower reductions and general cost savings without incurring a negative impact on our employees, although you no doubt are aware of the difficulty in achieving this.

We recently reported that **Thorburn Security Solutions** and **Thorburn Remote Monitoring** have been bought by the **Tsebo Outsourcing Group** in alignment with their Group's expansion strategy. On the 27th May the Competition Tribunal unconditionally approved the merger between Tsebo and the aforementioned Thorburn companies. The Tsebo Group's divisions in S.A include catering solutions, cleaning solutions, hygiene solutions, energy solutions, the Tsebo Foundation, and security solutions. We are happy to confirm that this transaction will not lead to any negative effects on employment. Tsebo is a well-established facility services company (43 years) and operates in 21 countries on the African continent. With the expertise and service delivery excellence, we are very excited about our future in the Group.

The appointment of new Management in the Northern Cape earlier this year has provided us with much needed progress in terms of maintaining service delivery standards in that area. Team Northern Cape will continue to benefit from the knowledge and guidance of the new Regional Manager, Wilhelm Pieterse. As a responsible employer, we are also refocussing on Health & Safety in the workplace, with renewed efforts to ensure the safety of all our personnel. These include the appointment of a Thorburn Regional Health & Safety Manager, the elimination of risk, root-cause analysis and behaviour-based safety programs.

The new **legislated wage increase** is imminent (1 September 2015), with negotiations already complete and new agreements signed and sealed. The impact is an average of a 7% wage increase across the board. The future impact will be that Wage Area 2 will fall away whilst the difference in Grade C and Grade D wages declines, where eventually we can expect to see the phasing out of Grade D.

The Thorburn **"We give security a GOOD name"** campaign will continue to underpin all our initiatives going forward and this year as we are determined to recognise security personnel who succeed in making us proud by portraying the Thorburn culture and giving the industry a better image.

To our new customers who joined the Thorburn stable this year, we say WELCOME and we look forward to a solid long-term trust relationship.

Dolf Scheepers



NEWS AND STORIES



Safety an Immediate Challenge For The Private Security Industry in South Africa

Being the **"first line of defence"** and exposed to various functions, the safe conduct by security personnel will always be a major challenge. The emphasis placed on safety and safe working procedures has a direct impact on the way in which security functions are conducted, compared to years ago. Add to this the emphasis that users of security place on safety, in especially mining and industrial operations, and security business leaders are faced with major challenges.

Small to medium sized security businesses could travel up to 22 000km per day with as many as 200 vehicles, which in itself is evidence of the risk exposure of the security industry. Security Officers man positions where thousands of vehicles and pedestrians pass by them daily; they man facilities in remote areas and are often at a distance from immediate support; they conduct follow-up operations on theft incidents in remote mining areas and are exposed to criminal elements and personal attacks on them. Security Officers operate heavy equipment which includes the manual handling of steel gates, climbing up on trucks to check loads, open and close vehicle doors and perform many other tasks that expose them to risk.

With the security industry not being in the higher remuneration bracket, many Security Officers reside in areas where poverty is rife and conditions not always ideal, especially in the rural areas. It is debateable what percentage of security personnel live in conditions that provide them with sufficient rest, thereby minimising the impact of fatigue, and whether their diets are healthy enough to minimise fatigue. Many drivers of security vehicles do not own their own vehicles and the security vehicles are traditionally the only vehicles they drive.

Equipping Security Officers as first-aiders, fire fighters, health and safety representatives; and exposing Security Managers to and training them in the Occupational Health and Safety or Mine Health and Safety Acts, is simply not enough. Traditional uniforms are inadequate protection against the cold of winter. Normal driver tests are not meeting the standard of the users of security services. What has been acceptable and a standard ten years ago, is insufficient in the provision of security services going forward – change has come about and many more changes will come to light in the future.

The addition of **Safety Managers** in security companies has become an inevitable overhead and in many operations on the mines, dedicated security Safety Officers are employed. Private security companies have their own safety and fatigue management plans and the integration of safety into quality management systems is a future necessity. The focus on security management training, specifically on safety and the higher level training such as the Safety Management Training Course (**SAMTRAC**), becomes more popular and a major advantage for companies going forward with safety amongst their operations and workforce. By adding Incident Investigations courses for Security Managers, security businesses are better equipped to determine root causes for safety incidents, from which corrective action can be taken.

In a time frame when security businesses are under severe pressure due to the downturn in the economy, higher than inflation wage increases and high fuel prices, these expenses directly affect the profitability but are mere necessities in the business obligation towards employees and customers to whom they provide services. **Security business owners, Directors and Managers should portray their true Safety leadership skills, ensuring that the industry meets the minimum requirements of safe working environments for their employee!**

Safety Leadership at Thorburn

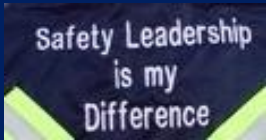
April 2015 saw intensive safety training presented by *Labour Guide* at the Kathu Regional offices. Managers underwent a course on the content of the OHS Act, whilst 20 Security Officers completed a course to qualify them as Safety Representatives. The safety knowledge base in Thorburn has thus been strengthened.

On the 28th April Thorburn participated in the international **World Day for Safety and Health at Work** campaign. Staff were made aware of this year's theme "*Join in building an OSH preventive culture*" which is indeed what we achieve at Thorburn through our Safety Leadership. We proudly believe that **Safety is my Difference**.

Safety Leadership is my Difference

"Safety Leadership is my Difference" in Thorburn recently resulted in various safety-related actions that enhance safety in the workplace. As with every year, we are again focussing on our staff during this winter and the issuing of thermal underwear and winter gloves has commenced. There may well be other additional winter surprise projects following later this winter!

This year Managers are provided with warm winter jackets with unique safety features, better than those in past years. We believe that Managers in all environments should portray and send out a message of safety, especially when conducting after hours site visits.



Strategic Safety Appointments

Two strategic Health & Safety appointments have been made to bolster the company's OHS drive:

Christine Vermeulen (who holds a SAMTRAC and various other safety qualifications and at least 8 years experience in the safety environment) as Safety Manager at Secunda.



Sipho Madonsela as the Thorburn Regional Health & Safety Manager from 1 June. This is the first appointment of its kind and Sipho comes with a wealth of practical experience gained at our Highveld Steel contract.



Did you know??

Thorburn offers the following staff benefits:

- 🎯 Performance and attendance bonus
- 🎯 Medical aid to staff with 5 years and longer services
- 🎯 Christmas food hampers to staff on duty
- 🎯 Rewards for exceptional service with special rewards for Saturday nights
- 🎯 Uniforms that exceed the minimum safety standards
- 🎯 Additional winter protective thermal underwear
- 🎯 Training opportunities in non-security subjects such as English literature, safety, business administration coaching and more courses
- 🎯 R200 000 death or disability cover to staff in mining/smelter operations
- 🎯 Scratch card incentives when staff contribute to **Giving security a GOOD Name**
- 🎯 Thorburn is a compliant contributor to the Private Security Industry Provident Fund



Challenges Faced By the Private Security Industry



The private security industry which claims to be a R50 billion turnover industry, faces various challenges going forward. Whilst the concept of *integrated security solutions* has been a buzzword since around 2000, the outcome has not been as dramatic as anticipated, nor has the expected reduction in manned security services been as radical as industry experts predicted a decade ago.

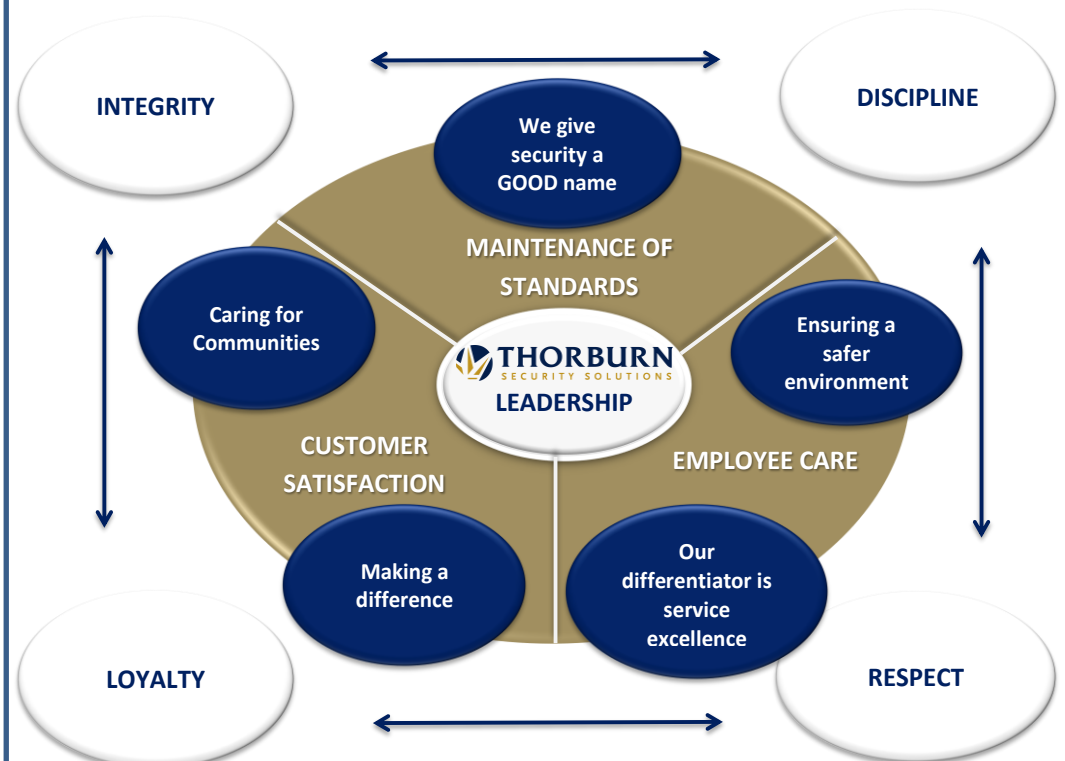
Providing security services will be challenged by the following:

- 🎯 It is expected that despite a wage agreement being reached for the next 3 years, that **union pressure may become immense** in an effort to minimise the impact of rival union AMCU in the industry.
- 🎯 **The cost of security services will increase above inflation** due to the wage increase agreement.
- 🎯 The **availability of career Security Officers** becomes more and more problematic, with Grade 12 qualified Security Officers not being that freely available. It is a reality that a well-equipped and qualified Grade 12 worker prefers other less strenuous industries than security work. Many a Grade 12 qualified Security Officer constantly seek other opportunities outside the industry, thereby adding to the high staff turnover experienced in many security companies.
- 🎯 The shift in security activities is towards **safety services** and safety compliance and much more will have to be done to ensure that security services meet Occupational as well as Mine Health and safety standards.
- 🎯 **Crime prevention is becoming more complex** and will have to be provided through innovation with less reliance on the existing contractual security guarding but more focus on specially trained independent special operations teams.
- 🎯 There will be a growing demand in rural areas, for service providers to get involved in **enterprise development projects** with local communities, thereby assisting in the establishment of local security services providers. It will be time consuming and stressful, but a requirement criteria that would be difficult to neglect.
- 🎯 **Employee relations** is not always a strong link in the performance chain of managerial functions. Too many services providers ill-treat their security personnel, thereby giving the security industry a bad name (by underpaying staff, paying staff late, utilising "independent contractors" who don't qualify for industry benefits, non-compliance to the Private Security Industry Provident Fund regulations and many more poor employment practices).
- 🎯 **A price war is looming** in the industry at the expense of service delivery. Recent contract losses by a major role player is an indication of how they have been affected by this price war.

The above-mentioned challenges are a few critical elements which would have an influence on future service delivery. Adding a growing market with many new entrants to the market, one has to ensure that the users of security believe in the value of a quality service. Compliance to statutory requirements is an essential criterion in the selection of security services providers.

The Thorburn DNA in a nutshell!

Have you seen our DNA? This is what makes Thorburn unique.





“There’s no magic formula for great company culture. The key is just to treat your staff how you would like to be treated,”

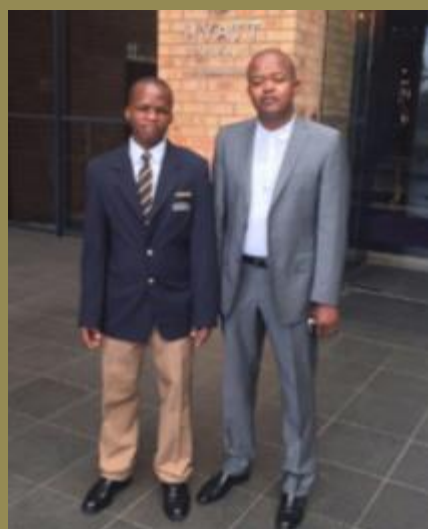
Richard Branson

OTHER NOTEWORTHY NEWS

Highlighting our  Contract



Recently Thorburn Executive Director, Thabang Moropa paid a courtesy visit to our operation at the Hyatt Regency Hotel in Rosebank.



On another occasion, Thorburn Officer S. Teffo at The Hyatt received a Commendation certificate and R500 reward for Service Excellence in the execution of his duties. Officer Teffo went beyond his duties when assisting the Engineering Department during a burst water pipe at the hotel. The Hyatt’s Francois de Villiers handed over the certificate



New Mobile Command Unit is Unveiled

The new Thorburn Mobile Command Unit was introduced in the region recently and has already stirred up much interest. The new unit provides mobility and is packed with features such as enhanced CCTV features, dial-in facilities, server backups, high level surveillance and review screens, enhanced safety features through panic systems and a combination of power supplies with battery supply of at least six hours.



Thorburn on Facebook

 [the Thorburn Facebook page](#) and you will automatically get all the updates we post. The page also contains posts of vacancies as they become available.



Caterpillar Award

The beginning of June saw Thorburn Security Officer E. Moseksi being recognised for good performance at CAT Africa in Isando. Officer Moseksi’s vigilance during a routine patrol resulted in the identification of damage to the warehouse and the subsequent addressing of the issue. Presenting the commendation letter (which came with a financial reward) is CAT’s Werner Zandberg.



New Appointments & Promotions

Wilhelm Pieterse joins the Thorburn family as the new Regional Manager for the Northern Cape. With 24 years of Experience in the industry, Wilhelm adds great value to our NC operation



LOUIS POTGIETER has been promoted from our Security Manager at Mercedes-Benz SA to Operations Manager at SASOL Mining in Secunda



GAVIN SEHUME has been transferred as the Thorburn Security Manager at Mapochs Mine to Security Manager at SASOL Mining Secunda



BENFORD THOBEJANE has been transferred from SASOL Secunda to Security Manager at Mapochs Mine



DIRKIE ELS has been appointed as the Thorburn Security Manager at SASOL Mining Secunda



Thorburn appointed **JAKES JACOBS** as Security Manager at SASOL Mining Secunda



CONSTANCE TSOTETSI has been promoted from a Security Officer at Syferfontein Mine to the newly created position of Recruitment Officer at the Thorburn Secunda Office



ANNAMARIE DU TOIT has been appointed as the Logistical Officer at Thorburn’s Secunda Office



Robert Lundall has been appointed as the Thorburn Security Manager for Mercedes-Benz SA



Great Confidence in Thorburn Mining Security Grows

The confidence in Thorburn mining security continues to grow, with the re-award of the **Palabora Mining Company (PMC)** contract to Thorburn Northern region for another two years.

In another development, **SASOL Mining** consolidated their mining security contracts, with the award of the total mining security contract to Thorburn. The first phase was in 2013 when services commenced at Syferfontein Mine and the Shondoni Mining Project. In March 2015 the services expanded to almost all the Secunda mines with the conclusion of the last deployments on 1 April 2015. Late in 2014 Thorburn also commenced with Special Operations at the Secunda complex.

Consistently Encouraging Staff Honesty

Staff honesty is high on the Thorburn agenda and a valid concern amongst the users of security in SA. All efforts, in an environment where crime is the order of the day, have to be made to ensure staff honesty.

We would be naïve to think that where we have large numbers Of Policer Officers involved in crimes or bribery, that Security Officers on much lower salaries would not be susceptible to these acts. Many a crime syndicate, especially in the motor and copper cable theft environments, use security personnel to assist them and go so far as to “place” these members in private security companies for just this purpose!

Informers amongst staff, routine polygraph tests on certain contracts, awareness letters, special bonuses, independent Special Operations teams and a toll- free Crime Line are but a few of the Thorburn efforts to minimise the impact of crime amongst own security officers. We do have the odd incidents reported to us and we do act severely on internal criminal activities. In addition to rewards for information that would lead to the arrest of own Security Officers, we also offer huge rewards to our staff that prevent theft; whilst at contracts where routine polygraphs are required, employees are paid a R350 “Honesty Bonus” for passing the routine polygraph test. We do a lot more than most of our competitors to ensure the honesty of our personnel, however one must not lose sight of the fact that human vulnerability will always play a part.

Thorburn Progresses

We are proud to be associated with **Tsebo** Outsource Group – which offers Facilities for Africa:



Pharmaceutical.

Sectors.



Resources & Energy.



Infrastructure Projects.



Retail & Wholesale.



Healthcare.



Corporate & Industry.



Leisure & Entertainment.



Education.



Manufacturing.



Government.

SOCIAL RESPONSIBILITY

Spreading the Warmth

The annual Thorburn “Ice-Breaker” winter-warmer project kicked off in the Northern Cape this year with MD, Dolf Scheepers donating 100 warm blankets and 200 packets of soup to the needy in the community of Dingleton near Kathu. In attendance were Thorburn Regional Manager Wilhelm Pieterse & Manager Kinglsey Lesesa



Back to our CSI Roots

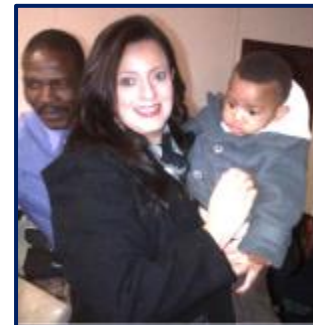


In June it was back to the root of our social responsibility projects – **Sekhukuneland**, where Thorburn distributed 100 blankets and soup packets amongst the population in need in the areas of jurisdiction of *Kgosi’s Kgadi* and *Kgoete* in the Mmpaphahlane Village as well as *Kgosi Mkgabane* in the Mapea Village. **These are communities in the area of Phokathaba Platinum Mine where Thorburn provide security services.**



We Take the Winter-Warmer Project to Sasolburg

For the first time since the launch of our “Ice-Breaker” winter-warmer project, we proudly donated 100 blankets to the Sasolburg communities surrounding our Sasol contract (which we began in Sept 2014). The grateful recipients were the **Van Riebeeck Old Age Home** and **Welfare SA**, a private NGO which oversees 30 projects within the greater Sasolburg area including the fostering of children in need of foster care. It had been 2° in Sasolburg that morning, so the blankets were very well received.



We Warm Up a Children’s Haven in Secunda

The 4th leg of Thorburn Northern Region’s “Ice-Breaker” winter-warmer project took us to Secunda where we donated 100 blankets to the **Cosmos Children’s Haven**. The home cares for 90 children from birth to 18 years, and is a place of safety for children that have been referred there by the Children’s Court, due to circumstances at their parental homes which make it impossible for them to remain there.



“We have a social responsibility, a constitutional opportunity and a moral obligation to help others”