

Key Principal	Description
"Absorption"	<u>means a measure of the learner's ability to successfully secure formal permanent or long-term contract employment for the Learner or to assist the Learner's proceed with further education and training</u>
"Acquisition debt"	means the debts of: a) black participants incurred in financing their purchases of their equity instruments in the Measured Entity; and b) juristic persons or trusts found in the chain of ownership between the eventual black Participants and the Measured Entity but excluding debts incurred by the Measured Entity for the same purpose as those in (a)
"Admissible/Appropriate Evidence"	Means the measure of the quality of evidence in respect of its relevance and reliability in providing support for or detecting misstatements affecting individual scorecard elements. The reliability of evidence is influenced by its source and its nature and is dependent on the individual circumstances under which it is obtained.
"Amended BBBEE Codes"	The Amended BBBEE Codes of Good Practice on Broad-Based Black Economic Empowerment Gazetted on 01 May 2015 as part of the Broad-Based Black Economic Empowerment Act, Act No. 53 of 2003 and any amendments thereto.
"Approved Accounting Officer"	Means any of the following using the corresponding Institution, designation and practice number combined on a company/individual Letter Head of the Accounting Officer: - The South African Institute of Chartered Accountants (SAICA): CA (SA) and AGA (SA) - Registered Auditors in accordance with the provisions of the Auditing Profession Act No. 26 of 2005: RA - The South African Institute of Professional Accountants (SAIPA): (SA) - The Chartered Institute of Management Accountants (CIMA): CGMA - The Chartered Association of Certified Accountants (ACCA) - Tax Practitioner whereby one of the above Institution Practice Numbers is used by the signatory - Tax Practitioner submitting tax returns on behalf of a sole proprietor
"Approved Verification Agency"	Means a BBBEE Verification Agency that has been accredited by SANAS in terms of R 47-02 and approved by the Department of Trade and Industry.
"Apprenticeship"	<u>means an agreement between an apprentice and an employee for a set period of time during which the apprentice works and receives training in the workplace</u>
"Associated Enterprise"	means the Entity with which s Seller has concluded a Qualifying transaction;
"B-BBEE"	means Broad-Based Black Economic Empowerment:
"B-BBEE Act"	refers to the Broad-Based Black Economic Act, Act No. 53 of 2003 as amended by the Broad-Based Black Economic Act, Act No 46 of 2013 and amendments thereto.
"B-BBEE Codes"	refers to Codes of Good Practice on Broad-Based Black Empowerment gazetted 09 February 2007 and the subsequent sector codes gazetted in alignment therewith, as part of the Broad-Based Black Empowerment Act, as amended thereto.
"B-BBEE Controlled Company"	means a juristic person, having share holding or similar members interest, in which black participants, enjoy a right to Exercisable Voting Rights that is at least 51% of the total such rights measured using the Flow-Through Principle:
"B-BBEE Owned Company"	means juristic person having share holding or similar members interest, that is BEE controlled, in which black participants enjoy a right to Economic interest that is at least 51% of the total such rights measured using the Flow-Through Principle:
"B-BBEE Procurement Recognition Level"	<u>means the percentage B-BEE Procurement recognition level as determined:</u> a) <u>For entities that are neither Qualifying Small Enterprise nor Exempted Micro-Enterprises, using statement 000;</u> b) <u>For Qualifying Small Enterprises, using statement 000;</u> c) <u>For Exempted Micro-Enterprises, the applicable deemed B-BBEE Recognition under statement 000;</u>

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"B-BBEE Veification Professional"	a person who performs any work in connection with rating status of enterprises in terms of the Broad-Based Black Economic Empowerment compliance, on the authority of, or for a rating agency accredited by, B-BBEE Verification Professional
"B-BBEE Status"	means the B-BBEE status of a beneficiary of the Measured Entity as determined under Statement 000
"BBBEE Verification Engagement"	Means a BBBEE Verification Engagement is an engagement performed to verify the score awarded to a measured entity in respect of the individual scorecard elements based on the BBBEE Codes of Good Conduct and the Overall Rating (BBBEE Status) awarded. A verification engagement reduces the risk of misstatement for individual scorecard elements to an acceptably low level in the circumstances of the engagement, as the basis for a positive form of expression of the Verification Agency's conclusion. An acceptably low level of misstatement risk is evidenced if a reasonable person with sufficient knowledge of the Codes will be able to arrive at the similar conclusion based on the same set of information
"B-BBEE Verification Regulator"	Means a body appointed by the Minister for the accreditation of rating agencies or the authorisation of B-BBEE verification professionals
"Benefit Factor"	means a factor specified in the Benefit Factor Matrix applicable to fixing the monetary value of Enterprise Development and Supplier Development and Socio Economic Development Contributions claimable under statement 400 and 500
"Benefit Factor Matrix"	means the Benefit Factor Matrix for Enterprise Development and Supplier Development and Socio Economic Development Contributions annexed to statement 400 and 500
"Black designated groups"	<p>a) means unemployed black people not attending and not required by law to attend as educational institution and not awaiting admission to an educational institution:</p> <p>b) Black people who are youth as defined in the National Youth Commission Act of 1996:</p> <p>c) Black people who are persons with disabilities defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act,</p> <p>d) Black people living in rural and under-developed areas</p> <p>e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;</p>
"Black new entrants"	<u>means black participants who hold rights of ownership in a measured Entity and who, before holding the Equity Instrument in the measured Entity has not held equity instruments in any other Entity which has a total value of more than R50,000 000,00 measured using a standard valuation method;</u>
"Black people"	<p>Is a generic term which means African, Coloureds and Indians (Chinese only if they prove they were on the list of inclusions specified in the court ruling in R-15 titled Chinese BEE and thereafter deemed Coloured):</p> <p>a) <u>who are citizens of the Republic of South Africa by birth or descent; or</u></p> <p>b) <u>who became citizens of the Republic of South Africa by naturalization:</u></p> <p>1) <u>Before 27 April 1994; or</u></p> <p>2) <u>After 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date but were precluded from doing so by Apartheid policies;</u></p>
"Broad-Based Ownership Scheme"	means a ownership scheme which meets the rules set out in Annexe 100B:
" Certificate Date"	The date on which the certificate was issued and therefore the start of the 12 month validity period of that certificate
"Certified Learning Programme"	<p><u>Means any Learning Programme for which the Measured Entity has:</u></p> <p>a) <u>Any form of independent written certificate as referred to in the "Learning Achievements" column of the Learning Programme Matrix;</u> <u>or if it does not have such certification:</u></p> <p>b) <u>an enrolment certificate issued by the independent person responsible for the issue of the certification referred to in statement 300 confirming the employee has:</u></p> <p>i. <u>enrolled for, is attending and is making satisfactory progress in the Learning Programme; or</u></p> <p>ii. <u>enrolled for but not attended the Learning; or</u></p> <p>iii. <u>attended the Training Programme but failed an evaluation of their learning progress</u></p>

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"Companies Act"	means the Companies Act 71 of 2008 as amended or substituted :
"Competent Assessor"	Means an assessor deemed competent by the Technical Signatories Manager
"Company Limited by guarantee"	means a company referred to in the Companies Act No 71 of 2008
"Competent Person"	means a person who has acquired through training, qualification and experience the knowledge and skills necessary for undertaking any task assigned to them under the codes;
"Core Skills"	means skills that are; a) value-adding to the activities of the Measured Entity in line with its core business b) in areas the Measured Entity cannot outsource; or c) within the production/operational part of the Measured entity's value chain: as opposed to the supply side: services or downstream operations:
"Critical Skills"	means those skills identified as being critical by any SETA;
"Control Risk"	The risk that a misstatement that could occur in an assertion from which the elements of the scorecard of the measured entity are derived and BBBEE Status determined, and that could be material, individually or when aggregated with other misstatements, will not be prevented or detected and corrected on a timely basis by the measured entity's internal control.
"Debt"	An amount owed to a person or organisation for funds borrowed. Debt can be represented by a loan note, bond, mortgage or other form stating repayment terms and, if applicable, interest requirements. These different forms all imply intent to pay back an amount owed by a specific date, which is set forth in the repayment terms.
"Detection Risk"	The risk that the Verification Agency's procedures will not detect a misstatement that exists in an assertion from which the elements of the scorecard of the measured entity are derived and BBEE Status determined and that could be material, individually or when aggregated with other misstatements.
"Disabled Employees"	has the meaning defined in the Code of Good Practice on Key Aspects of Disability in the Workplace issued under section 54 of the Employment Equity Act:
"EEA2"	Means the Employment Equity Act Report No 2
"EEA4"	Means the Employment Equity Act Report No 4
"EAP"	Economically Active Population as determined and published by Stats SA. The operative EAP for the purposes of any calculation under the Codes will be the most recently published EAP;
"Economic Interest"	means a claim against an Equity representing a return on ownership of the Entity similar in Nature to a dividend right, measured using the Flow-Through and, where applicable, the Modified Through Principles;
"EE Act"	means the Employment Equity Act of 1998, as amended:
"EE Regulations"	means the regulations under the Employment Equity Act
"Elements"	means the measurable qualitative elements of BEE compliance In the Generic scorecard and the Primary Codes:
"Employed Learner" (section 18(1))"	<u>Means a learner that was in the employment of the employer party to the learnership agreement concerned when the agreement was concluded. The learner's contract of employment is therefore not affected by the agreement.</u>
"Employee with a Disability"	<u>Has the meaning defined in the Codes of Good Practice on Key Aspects of Disability in the Workplace issued under Section 54 of the Employment Equity Act. align with the Employment Equity Act referenced in BEE BIZ regulatory</u>
"Employee"	bears the meanings defined in the Labour Relations Act 66 of 1995 as amended.
"Employee Ownership Scheme"	means a worker of employee scheme:
"Empowering Supplier"	An Empowering Supplier within a context of B-BBEE is a B-BBEE compliant entity, which is a <u>good</u> citizen South African entity, comply with all regulatory requirements of the country and should meet at least three if it is a large enterprise or one if it is a QSE of the following criteria: a) For Non Service Industries - at least 25% of cost of sales excluding labour cost and depreciation must be procured from local producers or local suppliers in SA or b) For Service Industries - at least 25% of cost of sales including labour cost which is capped at 15% and depreciation must be procured from local producers or local suppliers in SA; and c) 50% of Jobs created are for Black people provided that the number of Black employees since the immediate prior verified BBBEE measurement is maintained; and d) At least 25% transformation of raw material/beneficiation which include local manufacturing, production and/or assembly, and/or packaging; and e) At least 12 days per annum spend on deploying productivity in assisting Black EMEs and QSEs beneficiaries to increase their operation or financial capacity. f) For Service Industries – at least 85% of labour costs should be paid to South African employees.

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Enhanced QSE and EME Recognition Level"	Means for a QSE and EME: a) A Level One B-BBEE recognition level when the Measured Entity is 100% Black Owned obtained through a sworn affidavit on an annual basis b) A Level Two B-BBEE recognition level when the Measured Entity is 51% Black Owned obtained through a sworn affidavit on an annual basis
"Enterprise Development Contributions"	Means a monetary or non-monetary contributions carried out for the following beneficiaries, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries: a) Enterprise Development Contributions involves Enterprise Development Contributions to Exempted Micro-Enterprise or Qualifying Small Enterprises which are at least 51% black owned or at least 51% black women owned
"Entity"	means a natural or a juristic person conducting a business, trade or professional in the Republic of South Africa
"Entrepreneur"	means a person who starts and/or operates a business which includes indentifying opportunities in the market, taking risks with a view of being rewarded with profits:
"Equity Equivalent Contribution"	Means a equity equivalent contribution made by a multinational under an equity Equivalent Programme;
"Equity Equivalent Programme"	Means a public programme or scheme of any government department provincial or local government in the Republic of South Africa or any other programme approved by the Minister as an Equity Equivalent Programme;
"Equity Instrument"	Means the instrument by which a Participant holds rights of ownership in an Enterprise
"Equivalency Percentage"	Means a percentage ownership performance for all the indicators in the associated enterprise ownership scorecard arising from a Qualifying transaction included in the ownership scorecard of the beneficiary entity
"Evidence"	Refers to all the information used to establish a fact in issue. Including information supplied by the Measure Entity and used by the Verification Agency in determining the scores allocated to individual BBEE Scorecard Elements and BBEE Status for the measured entity. Evidence includes the information contained in the accounting records underlying the financial statements and other information relating to the measured entity's BBEE Scorecard Elements obtained through inquiry, inspection of records or documents or written confirmations, recalculation and analytical procedures.
Executive Directors"	Means those members of the Board who are executive directors as defined in the King Report
"Executive Management QSE"	Means executive and other executive management as described under the General Generic Principle Statement 200
"Exempted Micro Enterprise"	Means an Entity with an annual turnover less than 10 million
"Exercisable Voting Rights"	Means a voting right of a Participant that is not subject to any limit
"Global Practice"	Means a global and uniformly applied practice of a multinational restricting alienation of equity in or the sale of businesses in its regional operation. The practice must have existed before the promulgation of the Act
"Grant Contribution"	Means the monetary value of qualifying contributions made by the Measured Entity to a beneficiary in the form of grants, donations, discounts and other similar quantifiable benefits which are not recoverable by the measured entity
"Group Structure"	Means an ownership arrangement whereby one or more Measure Entities that are juristic persons are subsidiaries of another Measured Entity that would qualify as a holding company
Higher Education InstitutionHigher Education Institution"	Means a higher education institution as deemed under the higher education Act of 1997
"Indicator Percentage"	Means the percentage of compliance of the Associated Entity for all indicators of the Associated Enterprises ownership Scorecard. The calculation of indicator Percentages follows the rules in statement 100 using the actual percentage compliance for each indicator and not the resulting scores
"Industry Norm"	Means the Industry Norms table classification as stated by Statistics South Africa Quarterly Financial Report.
"Industry Specific Initiatives"	<u>Means the qualifying contributions that are unique to the industry in which enterprises operate. For the purpose of the Codes an industry may be grouped in major divisions in accordance with the Standard Industrial Classification Coding System used by Statistics South Africa.</u>
"Inherent Risk"	The susceptibility of an assertion from which the elements of the scorecard of the measured entity are derived and BBEE Status determined to misstatement that could be material assuming that there were no related internal controls.
"Intended User"	The person, persons or class of persons within, or external to the measured entity, for whom the Verification Agency prepares the Verification Certificate on the Scorecard elements and BBEE status report (e.g. the directors or person with a similar status in other types of entities). The responsible party may be one of the intended users, but not the only one.
"Internship"	<u>Means an opportunity to integrate career related experience into an undergraduate education by participating in planned, supervised work.</u>
"IRBA Approved"	Means a Chartered Accountant that has gained Approval from IRBA for the issuing of QSE and/or Generic Enterprise BBEE Certificates.
"Junior Management"	<u>Means an employee of the Measured Entity who is a member of the occupational category of "Junior Management" as determined using the Employment Equity regulations</u>
"Learnership"	<u>for the purpose of this document, refer Learnership, Apprenticeships and Internships defined by the Amended Codes</u>
"Learning Programmes"	Means any learning programme set out in the Learning Programme Matrix
"Learning Programme Matrix"	Means the learning programme matrix annexe as Annexe "400A"
"Leviable Amount"Leviable Amount"	Bears the meaning as defined in the Skills Development Levies Act of 1999 as determined using the Fourth Schedule to the Income Tax Act

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"Management Fees"	Means the total Economic Interest received by a Broad-Based Ownership Scheme in any years less the amount distributed or applied to beneficiaries and the amounts reserved for future distribution or application.
"Mandated investments"	Means any investments made by or through any third party regulated by legislation on behalf of the actual owner of the funds, pursuant to a mandate given by the owner to a third party, which mandate is governed by that legislation. Some Examples of domestic mandated investment and the portions of those investments subject to the exclusion principle are contained in Annexe 100A attached to statement 100
"Materiality"	Information is material if its omission or misstatement could influence the determination of the individual scorecard elements or the overall rating and BBBEE status. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut off point rather than being a primary qualitative characteristic which information must have if it is to be useful.
"Measurement Date"	the last day of the Measurement Period or such a date agreed upon with the Measured Entity that is close as practically possible to the verification date. The term "Date of Measurement" has a corresponding meaning; The "Ownership" and "Management Control" elements must be measured as at the Measurement Date. For the avoidance of doubt, these two elements to be measured on the same date.
"Measured Entity"	Means an Entity as well as an organ of state or public entity subject to measurement under the Codes;
"Measurement Period"	the financial period of the Measured Entity, subject to the following: a) the period of 12 consecutive months' b) where, however the Measured Entity amended its financial reporting period from one year in question, must be 12 consecutive months. In such exceptional cases the Measured Entity may at its discretion elect to be measured for the amended financial period (however many months it may include) or the 12 months ending on the last day of the amended financial period. For purpose of determining its classification as an EME, QSE and Generic enterprise the Measured Entity must however, irrespective of election it exercises above, do so with reference to the 12 months ending on the last day of the amended financial period. In the case where audited financial statements are not available for measured period, management accounts for the same period will be used.
"51% Black owned"	Means an Entity in which, a) black people hold at least 51% of the exercisable voting rights as determined under Code series 100 b) black people hold at least 51% of the economic interest as determined under Code series 100; and c) has earned all the points for Net Value under statement 100
"51% Black women owned"	Means an Entity in which, d) black women hold at least 51% of the exercisable voting rights as determined under Code series 100 e) black women hold at least 51% of the economic interest as determined under Code series 100; and f) has earned all the points for Net Value under statement 100
"30% black women owned"	Means an Entity in which, g) black people hold more than 30% of the exercisable voting rights as determined under Code series 100 h) black people hold more than 30% of the economic interest as determined under Code series 100; and i) has earned all the points for Net Value under statement 100
"Mandatory Sector Training"	<u>Means the list of Priority Skills under the Sector Training Authority if applicable</u>
"Middle Management"	<u>Means an employee of the Measured Entity who is a member of the occupational category of "Middle Management" as determined using the Employment Equity regulations</u>
"Multinational Business"	Means a Measured Entity with a business in the Republic of South Africa and elsewhere which maintains its international headquarters outside the Republic
"National Skills Development Strategy"	Means the national skills development strategy referred to in section 5(1)(a)(ii) of the Skills Development Act
"Net Profit After Tax"	Means the operating profit of a measured entity after tax. It incorporates both the equity /loss figures and abnormal items; but excludes extra ordinary items as determined by (GAAP) Generally Accepted Accounting Practises
"Net Profit Before Tax"	Means the operating profit of a measured entity before tax. It incorporates both the equity /loss figures and abnormal items; but excludes extra ordinary items as determined by (GAAP) Generally Accepted Accounting Practises
"Net Value"	Means the percentage resulting from the formula in Annexe 100(C) of statement 100
"Net Value Date"	Means the later occurring of the date of commencement of statement 100 and the date upon which the earliest of all still operative transactions undertaken by the Measured Entities in order to achieve black rights of ownership, became effective and unconditional;
"New Enterprise"	<u>Means an early stage business which is similar to a start-up. However, an early stage business is typically 3 years or less.</u>
"Non-Executive Management QSE"	Means all remaining Management positions not referenced in Executive/Other Executive Management as defined as Management in the previous 2007 QSE Codes of Good Practice
"Non-Profit Organisation"	Means a non-profit organisation under the Non-Profit Organisation Act of 1997

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"Other Executive Management"	Means employees of a measured Entity who are: Means employees of a Measured Entity who undertake the day to day management, have overall responsibility for the overall management and are actively involved in developing and implementing the overall strategy of the measured entity to include but not limited to: a) members of the occupation category of "Top Management" in addition to Executive Directors as determined using the EE regulations as qualified in a sector code; b) appointed by or on the authority of the Board to undertake the day-to-day management of that Measured Entity and who; i) have individual responsibility for the overall management and for the financial management of that Measured Entity; and ii) actively involved in developing and implementing the Measured Entity's overall strategy;
"Outsourced Labour Expenditure"	Means any expenditure incurred in; a) procuring the services of or from a labour broker; and b) procuring the services of any person who received any remuneration or to whom any accrues because of any services rendered such person to or on behalf of a labour broker
"Overall Demographic Representation (ODR)" "Overall Demographic Representation (ODR)"	Means applicability to Generic Enterprises only whereby black people as defined in the Regulations of Employment Equity Act and Commission on Employment Equity Reporting as amended from time to time through Regional or National Reporting specific to: a) Specialised Generic Enterprise Scorecard for Management Control indicators of Senior, Middle and Junior Management b) Generic Enterprise Scorecard for Management Control indicators of Senior, Middle and Junior Management c) Generic Enterprise Scorecard for Skills Development indicators of Senior, Middle and Junior Management
"Participant"	Means a natural person holding rights of ownership in a Measured Entity;
"Payroll"	Means latest completed salaries run by the Measured entity prior to the On-Site verification
"Pivotal Report"	<u>Means a report on "Professional, Vocational, Technical and Academic Learning Programmes that meet the critical needs for economic growth and social development, generally combining course work at universities, universities of technology and colleges with structured learning at work.</u>
"Priority Elements"	Means the elements of Ownership, Skills Development and Enterprise and Supplier Development whereby a sub-minimum requirement of 40% is required to be scored in defined element (Skills) and/or categories (ESD) and/or indicators (Ownership Net Equity Value)
"Priority Element Compliance"	A Large Enterprise is required to comply with all of the Priority Elements A Qualifying Small Enterprise is required to comply with Ownership as a Compulsory Element and either Skills Development or Enterprise and Supplier Development
"Priority Element Discounting"	Means non-compliance with the 40% sub-minimum requirements of any of the Priority Elements will result in the following outcomes for both Large and QSE Enterprises: 1) The actual points scored by the Measured Entity and the consequent level that the Measured Entity would have achieved were it not for the non-compliance with the 40% sub-minimum requirements will be recognised by the Verification Agency deemed the "Recognition Level" 2) Notwithstanding the above, the Measured Entity's B-BBEE status level will be discounted by one level down until the next verification period in which the Measured Entity can demonstrate compliance with the 40% sub-minimum requirements, at which point the "Recorded Level" will become the applicable ratings level for the Measured Entity"
"Priority Skills"	Means Core, Critical and Scarce Skills as well as any skills specially identified; a) in a Sector Skills Plan issued by the Department of Labour of the Republic of South Africa, and b) National Skills Development Strategy III; and c) New Growth Path; and d) National Development Plan Remove
"Private Equity Fund"	Means a third party fund through which investments are made on behalf of the actual owner of the funds pursuant to a mandate given by that person to the private equity fund
"Professional Scepticism"	refers to questioning approach coupled with critical assessment of information.
"Public Benefit Organisation"	Means a entity as defined in section 30 of the income Tax Act of 1962
"Qualifying Enterprise and Supplier Development Contributions"	<u>Means a collective term describing Enterprise Development Contributions and Supplier Development Contributions targeting EME's and QSE's that are at least 51% black owned or at least 30% black women owned, black youth in rural, and underdeveloped areas in statement 400.</u>
"Qualifying Small Enterprise"	<u>Means a Qualifying Small Enterprise Entity that qualifies for measurement under the qualifying small entity scorecard with a turnover of between R10 and R50 million;</u>
"Qualifying Socio-Economic Development"	Is a collective term for Socio-Economic Project contributions and Socio-Economic contributions
"Qualifying Transaction"	Means a sale of a business, valuable business assets or shares that result in the creation of sustainable business opportunities and transfer of specialised skills or productive capacity for black people
"Random Sampling"	the application of verification procedures to less than 100% of terms selected within a group o class of transactions in a manner which provides all units of a group ("the population") with an equal chance of selction. This will enable the B-BBEE Veification Professional to obtain and ealuate evidence about some characteristic of the items selected in order to form , or assistin foming, a conclusion concerning the population from which the sample is drawn.

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"Recognition Level"	Means the actual points scored by the Measured Entity and the consequent level that the Measured Entity would have achieved were it not for the non-compliance with the 40% sub-minimum requirements will be recognised by the Verification Agency deemed the "Recognition Level"
"Recorded Level"	Means the Measured Entity's B-BBEE status level will be discounted by one level down until the next verification period in which the Measured Entity can demonstrate compliance with the 40% sub-minimum requirements, at which point the "Recorded Level" will become the applicable ratings level for the Measured Entity"
"Related Enterprise"	Means the Entity controlled by a Measured Entity whether directly indirectly controlled by the natural persons who have direct or indirect control over that Measured Entity or the immediate family of those natural persons;
"Representation"	Means the suitable evidence or documentation in support of the B-BBEE compliance
"Responsible Party"	The person (or persons) in the measured entity responsible for the collation and preparation of the BBEE information to be verified.
"Rights of Ownership"	Is a collective term for the right to economic interest and the right to exercisable Voting Rights
"Sampling"	The application of verification procedures to less than 100% of items within an account balance or class of transactions such that all sampling units have a chance of selection. This will enable the Verification Agency to obtain and evaluate evidence about some characteristic of the items selected in order to form or assist in forming a conclusion concerning the population from which the sample is drawn. Sampling can use either a statistical or non-statistical approach. The "population" in a BBEE Engagement will relate to the underlying information for each scorecard element being verified and may comprise financial or non-financial information.
Scarce SkillsScarce Skills"	Are those skills indentified as being scarce by any SETA
Section 21 CompanySection 21 Company"	Means as association not for gain incorporated under section 21 of the Companies Act:
"Sector Code"	Means a code in statement 003 which is applicable to a particular sector
"Sector Specific Programmes"	Means Sector Specific Programmes that are recognised on the basis set forth in the sector code governing them
"Seller"	Means the Entity of the person concluding a Qualifying Transaction with the Associated Enterprise
"Senior Management"	<u>Means an employee of the Measured Entity who is a member of the occupational category of "Senior Management" as determined using the Employment Equity regulations</u>
"Skills Development Tracking Tool"	Means a reporting mechanism that registers, records and tracks black people that are/have been absorbed by the Measured Entity or Industry Entity
"Skills Development Expenditure"	Comprises the money that a Measured Entity spends on skills development; excludes the skills development levy payable by the Measured Entity under the Skills development Levies Act;
"Skills Development Expenditure Target"	Means expenditure on employed and unemployed black people
"Socio-Economic Development Contributions"	Means a monetary or non-monetary contribution implemented for communities, natural persons or groups of natural persons where at least 75% of the beneficiaries are Black people. The objective of Socio-Economic Development contributions is the promotion of sustainable access for the beneficiaries to the economy. Socio-Economic Development Contributions commonly take the following forms: a) Development programmes for women, youth, people with disabilities, people living in rural areas; b) Support of healthcare and HIV/AIDS programmes; c) Support for education programmes, resources and materials at primary, secondary and tertiary education level, as well as bursaries and scholarships d) Community training, skills development for unemployed people and adult basic education and training; or e) Support of arts, culture or sporting development programmes
"Socio-Economic Development Project Contributions"	Means a monetary or non-monetary contributions carried out for the benefit of any Projects approved for this purpose by any organ of state or sectors including without limitation: a) projects focussing on environmental conservation, awareness, education and waste management; and b) projects targeting infrastructural development, enterprise creation or reconstruction in under developed areas; rural communities or geographic areas identified in the government's integrated sustainable rural development or urban renewal programmes c) new projects promoting beneficiation
"Standard valuation method"	Means a standard valuation method for an asset, an Economic Interest, or any other instrument or right relevant to measurement under statement 100, undertaken using normal valuation methods that represents standard market practice;
"Start-Up Enterprise"	Means a recently formed or incorporated Entity that has been in operation less than 1 year. A start-up enterprise does not include any newly constituted enterprise which merely is a continuation of a pre-existing enterprise. A start-up must submit a QSE scorecard when tendering for any contract or seeking any other economic activity cover by Section 10 of the Act with a value higher than R10 million but less than R50 million, For contracts of R50 million or more the Start-Up should submit the Generic Scorecard, using annualised data for the scorecard
"SubsidiarySubsidiary"	Has the meaning defined in section 1(3) of the Companies Act

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"Sufficient Appropriate Evidence"	<p>Evidence is all of the information used by the Verification Agency in determining the scores allocated to individual BBBEE Scorecard Elements and BBBEE Status for the measured entity. Evidence includes the information contained in the accounting records underlying the financial statements and other information relating to the measured entity's BBBEE Scorecard Elements obtained through inquiry, inspection of records or documents or written confirmations, recalculation and analytical procedures.</p> <p>Sufficiency is the measure of the quantity of evidence. The quantity of evidence required is affected by the risk of misstatement (the greater the risk of misstatement the more evidence is likely to be required) and also by the quality of such evidence (the higher the quality, the less evidence may be required).</p> <p>Appropriateness is the measure of the quality of evidence that is its relevance and reliability in providing support for or detecting misstatements in the account balance or class of transactions affecting individual scorecard elements. The reliability of evidence is influenced by its source and its nature and is dependent on the individual circumstances under which it is obtained.</p>
"Superior Contributor" "Superior Contributor"	Is a Level One to Level Three Contributor to B-BBEE
"Supplier" "Supplier"	Means any supplier or service provider to a Measured Entity if any portion of the supply or service provision falls within the definition of Total Measured Procurement Spend
"Supplier Development Contributions"	<p>Means a monetary or non-monetary contributions carried out for the benefit of value-adding suppliers to the Measured Entity with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:</p> <p>a) Supplier Development Contributions to suppliers that are Exempted Micro-Enterprise or Qualifying Small Enterprises which are at least 51% black owned or at least 51% black women owned</p>
"Target" "Target"	Means the targets for the various Element in the Generic and QSE Scorecard
"The Act"	Means the Broad-Based Black Empowerment Act 52 of 2003
"The Codes"	Means the Codes of Good Practice including all the statements as issued under section 9 of the Act
"The Generic Scorecard"	Means the balanced B-BBEE scorecard as contained in statement 000
"The PFMA"	Means the Public Finance Management Act 1 of 1999 as amended
"The QSE Scorecard"	Means the QSE scorecard referred to in statement 000
"The Skills Development Act"	Means the Skills Development Act of 1998
"The Skills Development Levies Act"	Means the Skills Development Act of 1999
"The Strategy Document"	Means the document entitled "South Africa's" Economic Transformation- A Strategy for Broad-Based Black Empowerment" published by the department of trade and Industry in March 2003 as amended or substituted under section 11 of the Act
"Third Party Rights"	<p>Means third party legal or commercial rights that restrict or defer any benefit associated with ownership of any Equity Instrument. Third party rights include only those rights;</p> <p>a) Created against a black participant to secure for the lender, repayments of a loan advanced to that participant for financing their purchase of their equity Instrument in the Measured Entity;</p> <p>b) Held against a juristic person or trust that is in the chain of ownership between the Measured Entity and that the eventual black participant serving the same purpose mentioned in (a) above</p>
"Total Labour Cost"	Means the total amount of remuneration paid by an Entity to its employees determined using section 3(4) of the Skill Development Levies Act of 1999 and the forth schedule of the Income Tax Act 1962
"Total Revenue" "Total Revenue"	Means the total income of an Entity from its operation as determined under South African Generally Accepted Accounting Practice
"Transformation Charters"	Means the sectoral transformation charters referred to in section 12 of the Act
"Unemployed Learner"	Means a learner that was not in the employment of the employer party to the learnership agreement concerned when the agreement was concluded, The employer and learner must therefore enter into a contract of employment, Refer to the Skills Development Act
"Unincorporated joint venture"	Means a joint venture between two or more Measured Entities effected by agreement without incorporation
"Value-Adding Supplier"	Means and Entity registered as a vendor und the Value-Added Tax of 1991, whose Net Profit Before Tax summed with its Total Labour Cost exceeds 25% of the value of its Total Revenue
"Verification"	Means the process and activities conducted by a verification agency to assess, verify and validate that the score awarded to a Measured Entity is a result of individual scorecard elements supplied by a Measured Entity, and to evaluate BEE transactions in order to provide an indicative BBBEE score and Certification based on the principles of the Broad-Based BEE Codes of Good Practice.
"Verification Certificate"	BBBEE Verification Certificate issued by the approved Verification Professional which reflects the overall BBBEE Status and BBBEE status of each Scorecard Element verified in respect of the measured entity.
"Verification Date"	erification erification Date is defined as the date of the commencement of the on-site verification

Key Principal	Description
"Verification Engagement Risk"	The risk that the Verification Agency expresses an inappropriate conclusion in determining the scores of one or more scorecard elements being materially misstated. Verification engagement risk is a function of the risk of material misstatement (or simply, the "risk of material misstatement") (i.e. the risk that the scorecard elements are materially misstated prior to verification) and the risk that the Verification Agency will not detect such misstatement ("detection risk"). The risk of material misstatement has two components: inherent risk and control risk (as described above).
"Verification Report"	Report issued by the Verification Agency which provides the detailed score of each element reflected in the Verification Certificate and BBBEE Status awarded to the measured entity.
"Verification Risk"	The risk that the B-BBEE Verification Professional could arrive at an inappropriate conclusion in determining the scores based on one or more scorecard elements being materially misstated prior to the verification and the risk that the B-BBEE Verification Professional will not detect such misstatement.
"Voting rights"	Means a voting right attaching to an Equity Instrument owned but or held for a participant measured using the flow through principle or the control principle
"Weighting"	Means the weightings applied to various Elements in the Generic Scorecard
Workplace Skills Plan"	Means the plan of a Measured Entity approved by the relevant SETA