



PREMIER VERIFICATION

Amended Broad-Based Black Economic Empowerment Act (QSE)

In terms of Section 9(1) of the Broad-Based Black Economic Empowerment Amendment Act (Act No. 53 of 2003), as amended by the B-BBEE Amendment Act No.46 of 2013.



| Element | Weighting |
|---|---|
| Ownership* | 25 |
| Management Control | 15 |
| Skills Development* | 25 |
| Enterprise and Supplier Development* | 30 |
| Socio-Economic Development | 5 |
| Total | 100 |
| *Priority Element – 40% of target must be achieved | |
| Turnover Thresholds | |
| Turnover | Category |
| Less than R10m or Start up 100% Black Ownership 51% Black Ownership | Exempt Micro Enterprise Level 4 Contributor Level 1 Contributor Level 2 Contributor |
| >R10m but <R50m 100% Black Ownership 51% Black Ownership | Qualifying Small Enterprise Level 1 Contributor Level 2 Contributor |
| >R50m | Generic Enterprise |

| B-BBEE Recognition Levels | | |
|----------------------------------|-----------------------------|--------------------------|
| B-BBEE Status | Qualification | B-BBEE Recognition Level |
| Level One Contributor | >=100 Points | 135% |
| Level Two Contributor | >=95 Points but <100 Points | 125% |
| Level Three Contributor | >=90 Points but <95 Points | 110% |
| Level Four Contributor | >=80 Points but <90 Points | 100% |
| Level Five Contributor | >=75 Points but <80 Points | 80% |
| Level Six Contributor | >=70 Points but <75 Points | 60% |
| Level Seven Contributor | >=55 Points but <70 Points | 50% |
| Level Eight Contributor | >=40 Points but <55 Points | 10% |
| Non-Compliant Contributor | <40 Points | 0% |

| Ownership | | | | |
|--|---------------------------|---|------------------|--|
| Total Weighting 25 Points Measures effective ownership of companies by black people | Indicator | Measurement Category & Criteria | Weighting Points | Equity Ownership |
| | Voting Rights | Exercisable Voting Rights in the Entity in the hands of Black people | 5 | 25%+1 vote |
| | | Exercisable Voting Rights in the Entity in the hands of Black women | 2 | 10% |
| | Economic Interests | Economic Interest in the Entity to which Black people are entitled | 5 | 25% |
| | | Economic Interest in the Entity to which Black women are entitled | 2 | 10% |
| | | Economic Interest of the following black natural people in the Enterprise: - black designated groups - black participants in Employee Share Ownership Programmes; - Black people in Broad based Ownership Scheme; - black participants in Co-operatives Black New Entrants | 3 | 2% |
| | | | | |
| | Realisation Points | Net Value | 8 | 10% of the target (Year 1) 20% of the target (Year 2) 40% of the target (Year 3-4) 60% of the target (Year 5-6) 80% of the target (Year 7-8) |
| TOTAL: | | | 25 | |

| Management Control | | | | |
|--|--|--|---------------------|----------------------|
| Total Weighting 15 Points Measures effective control of companies by black people | Indicator | Measurement Category & Criteria | Weighting Points | Compliance Target |
| | Executive Management | Black representation at Executive Management | 5 | 50% |
| | | Black Female representation at Executive Management | 2 | 25% |
| | Senior, Middle, Junior Management | Black representation at Senior, Middle, and Junior Management as a percentage of all management | 6 | 60% |
| | | Black Female representation at Senior, Middle, and Junior Management as a percentage of all management | 2 | 30% |
| | TOTAL: | | 15 | |

| Skills Development | | | | |
|---|---------------|---|------------------|-------------------|
| Total Weighting 25 Points Measures the extent to which employers develop the competencies of black employees | Indicator | Measurement Category & Criteria | Weighting Points | Compliance Target |
| | | Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leviable Amount. | 15 | 3% |
| | | Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black female as a percentage of Leviable Amount. | 7 | 1% |
| | | Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people with disabilities as a percentage of Leviable Amount. | 3 | 0.15% |
| | | Number of black people absorbed by the measured entity and industry at the end of the learning programme | 5 | 100% |
| | TOTAL: | | 25 | |

| Enterprise and Supplier Development | | | | |
|--|---------------------------------|---|------------------|-------------------|
| Total Weighting 30 Points Measures the extent to which companies carry out initiatives contributing to enterprise development | Indicator | Measurement Category & Criteria | Weighting Points | Compliance Target |
| | Preferential Procurement | B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | 15 | 60% |
| | | B-BBEE Procurement Spend from all Empowering Suppliers that are 51% Black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | 5 | 15% |
| | Bonus Points | B-BBEE Procurement Spend from Designated Group Suppliers that are at least 51% Black owned. | 1 | 1% |
| | Supplier Development | Annual value of all Supplier Development Contributions made by the Measured Entity as a percentage of the target | 5 | 1% of NPAT |
| | Enterprise Development | Annual value of Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target. | 5 | 1% of NPAT |
| | Bonus Points | Bonus point for graduation of one or more Enterprise Development beneficiaries to graduate to the Supplier Development level | 1 | |
| | | Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity. | 1 | |
| | TOTAL: | | 30 | |

| Socio-Economic Development | | | |
|----------------------------|---|------------------|-------------------|
| Total Weighting | Measurement Category & Criteria | Weighting Points | Compliance Target |
| 5 Points | Measures the extent to which companies support socio-economic development | 5 | 1% of NPAT |
| | Annual value of all Socio-Economic Development Contributions by the measured Entity as a percentage of the target | | |
| | TOTAL: | 5 | |



PREMIER VERIFICATION

Premier Verification (Pty) Ltd

5 Second Road, Fountain Grove Office Park, Block 1, 1st Floor

For more information, please contact:

010 591 0591

info@p-v.co.za

www.premierverification.com