

KEY DEFINITIONS

Terminology and words in this document are aligned to the dti CoGP and, accordingly, the definitions as contained in the codes. Some of the more significant definitions are, however, given below to assist the reader. In the event that a definition is not reflected, the codes should be consulted.

BBBEE	Broad-based black economic empowerment
BEE-controlled company	A juristic person, having shareholdings or similar members' interests, in which black participants enjoy a right to exercisable voting rights that are more than 50% of the total of such rights measured using the Flow Through Principle.
BEE-owned company	A juristic person, having shareholding or similar members' interests, that is BEE controlled, in which black participants enjoy a right to economic interest that are more than 50% of the total of such rights measured using the Flow Through Principle.
Black-designated groups	<ul style="list-style-type: none"> a) Unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution. b) Black people who are youth as defined in the National Youth Commission Act of 1996. c) Black people living in rural and underdeveloped areas.
Black people	<p>Has the meaning defined in the Act qualified as including only natural persons who are citizens in the Republic of South Africa by birth or descent; or are citizens in South Africa by naturalisation:</p> <ul style="list-style-type: none"> a) occurring before the commencement date of the Constitution of the Republic of South Africa Act of 1993; or b) occurring after the commencement date of the Constitution date of the Republic of South Africa Act of 1993, but who, without apartheid policy, would have qualified for naturalisation before then.
Companies Act	The Companies Act 61 of 1973, as amended.
Core skills	<p>Skills that are:</p> <ul style="list-style-type: none"> a) value-adding to the activities of the measured entity in line with its core business; b) in areas the measured entity cannot outsource; and c) within the production/operation part of the measured entity's value-chain; as opposed to the supply side: services or downstream operations.
Critical skills	Those skills identified as being critical by any SETA.
Economic interest	A claim against an entity representing a return on ownership of the entity similar in nature to a dividend right, measured using the Flow Through Principle, and, where applicable, the Modified Flow Through Principle.
EE Act	The Employment Equity Act of 1998, as amended.
EE regulations	The regulations under the Employment Equity Act.
Employee	Bears the meaning as defined in the Labour Relations Act 66 of 1995, as amended.
Entity	A natural or juristic person conducting a business, trade or profession in the Republic of South Africa.

Enterprise development contributions	<p>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:</p> <p>a) Category A enterprise development contributions involve enterprise development contributions to exempted micro-enterprises or qualifying small enterprises which are 50% black-owned or black women-owned.</p> <p>b) Category B enterprise development contributions involve enterprise development contributions to any other entity that is 50% black-owned or black women-owned; or 25% black-owned or black women-owned with a BEE status of between level 1 and level 6.</p>
Equity instrument	The instrument by which a participant holds rights of ownership in an enterprise.
EXCO	The Altron executive committee, chaired by CEO Robert Venter.
Executive members of the board	Those members of the board who are executive directors as defined in the King Report.
Exempted micro-enterprises	An entity with an annual turnover of less than R5 (five) million.
Grant contribution	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.
Independent non-executive board members	Those members of the board that are independent directors as defined by the King Report.
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.
50% black-owned	<p>An entity in which:</p> <p>a) black people hold more than 50% of the exercisable voting rights as determined under Code series 100;</p> <p>b) black people hold more than 50% of the economic interest as determined under Code series 100; and</p> <p>c) have earned all the points for the net value under statement 100.</p>
50% black women-owned	<p>An entity in which:</p> <p>a) black women hold more than 50% of the exercisable voting rights as determined under Code series 100;</p> <p>b) black women hold more than 50% of the economic interest as determined under Code series 100; and</p> <p>c) have earned all points for the net value under statement 100.</p>
30% black women-owned	<p>An entity in which:</p> <p>a) black women hold more than 30% of the exercisable voting rights as determined under Code series 100;</p> <p>b) black women hold more than 30% of the economic interest as determined under Code series 100; and</p> <p>c) have earned all points for the net value under statement 100.</p>



QSE	A qualifying small entity that qualifies for measurement under the qualifying small entity scoreboard with a turnover of between R5 and R35 million; “qualifying enterprise development contributions” is a collective term describing Category A and B enterprise development contributions and in particular enterprise development contributions targeting black-owned EMEs and QSEs, and black youth in rural and underdeveloped areas in statement 600.
Socio-economic development contributions	A collective term for socio-economic development programmes and contributions, approved socio-economic development programmes, and sector-specific programmes.
Senior top management	Employees of a measured entity who are: a) members of the occupation category of “top management” as determined using the EE Regulations as qualified in a sector code; and 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 the measured entity; and ii) are actively involved in developing and implementing overall strategy of the measured entity.
Skills development programme	Comprises the money that a measured entity spends on skills development. It excludes the skills development levy payable by the measured entity under the Skills Development Levies Act.
Socio-economic development programmes	Socio-economic development programmes commonly take the following forms: a) Development programmes for women, youth, people with disabilities, people living in rural areas; b) Support for 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, cultural or sporting development programmes.
Supplier	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.
The Act	The Broad-Based Black Economic Empowerment Act 53 of 2003.
The Codes	The Codes of Good Practice including all the statements as issued under section 9 of the Act.
Top manager	Employees of a measured entity who hold rights of ownership, serve on the board, undertake the day-to-day management, have overall responsibility for the financial management and are actively involved in developing and implementing the overall strategy of the measured entity.
Value-adding enterprise	An entity registered as a vendor under the value-added tax Act of 1991, whose net profit before tax summed with its total labour cost exceeds 25% of the value of its total revenue.
Voting right	A voting right attaching to an equity instrument owned by or held for a participant measured using the Flow Through Principle or the Control Principle.