

STATEMENT CSC 601 - OWNERSHIP FOR QSE

1. THE QSE OWNERSHIP SCORECARD

The following table represents the indicators and methods for calculating a score for Ownership under this statement for both Contractors and BEP's in the Construction Sector;

| B-BBEE Element | Indicator | Description | Weighting Points | Compliance Target |
|----------------|------------------------|------------------------------------------------------------------------------------------|------------------|-----------------------------------------|
| OWNERSHIP | 1.1 Voting Rights | 1.1.1 Exercisable Voting Rights in the Entity in the hands of Black People | 5.5 | 25% & (30% Year 4) |
| | | 1.1.2 Exercisable Voting Rights in the Entity in the hands of Black women | 2 | 10% |
| | 1.2 Economic Interest | 1.2.1 Economic Interest in the Entity to which Black People are entitled. | 5.5 | 25% & (30%Year 4) |
| | | 1.2.2 Economic Interest in the Entity to which Black women are entitled. | 2 | 10% |
| | | 1.2.3 Economic Interest of Black New Entrants or Black Designated Groups | 7 | 10% (for Contractors) 5% (for BEP's) |
| | 1.3 Realisation Points | 1.3 Net Value | 5 | Refer to Annexure CSC100 (E) |
| | 1.4 Bonus Points | 1.4.1 Exercisable Voting Rights and Economic Interest to which Black People are entitled | 1.5 | ≥40% |
| | | 1.4.2 Exercisable Voting Rights and Economic Interest to which Black women are entitled | 1.5 | ≥12.5% |
| TOTAL | | | 30 | |

2. MEASUREMENT OF QSE OWNERSHIP ELEMENT

- 2.1 The measurement of the QSE Ownership Scorecard shall adhere to all principles, definitions, calculations and measurement methodologies contained in Statement CSC 100 for measuring of the Ownership element.

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2.2 For the avoidance of doubt:

2.2.1 the Modified Flow Through Principle applies to the measurement of paragraph 1.1.1 and 1.2.1 of the QSE Ownership Scorecard.

2.2.2 The Year 4 Targets for paragraph 1.1.1 and 1.2.1 of the QSE scorecard will become effective in the same manner as those of the Large Enterprise Scorecard in Statement CSC 100.

STATEMENT CSC 602 - MANAGEMENT CONTROL FOR QSE

1. THE QSE MANAGEMENT CONTROL SCORECARD

The following table represents the criteria used for deriving a score for Management Control under this statement for both Contractors and BEP's in the Construction Sector.

| Measurement Category & Criteria | Weighting Points | Compliance Targets |
|-----------------------------------------------------------------|------------------|--------------------|
| 1. Executive Management: | | |
| 1.1 Black representation at Executive Management | 5 | 50% |
| 1.2 Black female representation at Executive Management | 2 | 20% |
| 2. Senior, Middle and Junior Management: | | |
| 2.1 Black representation at Senior and Middle Management | 6 | 20% |
| 2.2 Black female representation at Senior and Middle Management | 2 | 10% |
| 2.3 Black representation at Junior Management | 4 | 40% |
| 2.4 Black female representation at Junior Management | 1 | 20% |
| TOTAL | 20 | |

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2 KEY MEASUREMENT PRINCIPLES

- 2.1 Save as expressly provided for differently in this statement the key measurement principles and sub-minimum requirements under statement CSC 200 are applicable to this statement.
- 2.2 For the purpose of the QSE scorecard, executive management include other executive management as described under the general principles of statement CSC 200.
- 2.3 The demographic representation of Black People as defined in the Regulations of Employment Equity Act and Commission on Employment Equity report are not applicable to the calculation of scores under the QSE Scorecard and neither are the Adjusted Recognition for Gender.
- 2.4 A Measured Entity must use the recent payroll data in calculating its score under the Management Control Scorecard.

STATEMENT CSC 603 - SKILLS DEVELOPMENT FOR QSE**1. THE QSE SKILLS DEVELOPMENT SCORECARD**

The following table represents the criteria used for deriving a score for Skills Development under this statement for Contractors and BEP's in the Construction Sector.

| Category | Skills Development Element | Weighting points | Compliance Target |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| 1. | Skills Development Expenditure on any programme specified in the Learning Programme Matrix | | |
| 1.1 | Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for Black People as a percentage of Leviable Amount. | 14 | 1.5% |
| 1.2 | Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black management (executive, senior and middle management) as a percentage of total Skills Development Expenditure of the Measured Entity on Black People. | 7 | 25% |
| 1.3 | Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for Black People with Disabilities as a percentage of total Skills Development Expenditure of the Measured Entity on Black People. | 3 | 3% |

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| 2. Bonus points: | | | |
| 2.1 | Number of Black People Absorbed by the Measured Entity and industry at the end of the learning programme. | 1 | 100% |
| 2.2 | Number of Black Employees that are registered successfully as a candidate or professional with industry professional registration bodies as a percentage of all Employees registered. | 1 | 50% |
| TOTAL | | 26 | |

2 KEY MEASUREMENT PRINCIPLES

- 2.1** Save as expressly provided for differently in this statement the key measurement principles and sub-minimum requirements under statement CSC300 are applicable to this statement.
- 2.2** The demographic representation of black people as defined in the Regulations of Employment Equity Act and Commission on Employment Equity report are not applicable to the QSE Scorecard and neither are the Adjusted Recognition for Gender.
- 2.3** Where required by law, the following criteria must be fulfilled in order for the Measured Entity to receive points on the QSE Skills Development Element scorecard:
- 2.3.1** Workplace Skills Plan, an Annual Training Report and Pivotal Report which are SETA approved; and
- 2.3.2** Implementation of Priority Skills programme generally, and more specifically for black people.
- 2.3.3** The learning matrix under code series CSC300 is applicable to this statement.
- 2.4** The requirements in paragraph 2.3.1 and 2.3.2 above is not applicable to businesses that are not required by law to comply therewith in terms of the Skills Development Act.

STATEMENT CSC 604 - PREFERENTIAL PROCUREMENT AND SUPPLIER DEVELOPMENT FOR QSE

1. THE QSE PREFERENTIAL PROCUREMENT AND SUPPLIER DEVELOPMENT SCORECARD

The following table represents the criteria used for deriving a score for Preferential Procurement and Supplier Development under this statement for Contractors and BEP's in the Construction Sector.

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| Criteria | Weighting Points | Compliance targets |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------|
| 1 PREFERENTIAL PROCUREMENT | | |
| 1.1 B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | 13 | 60% |
| 1.2 B-BBEE Procurement Spend from Empowering Suppliers that are at least 51% Black Owned based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | 5 | 17.5% |
| 1.3 B-BBEE Procurement Spend from Empowering Suppliers that 35% Black Women Owned based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | 4 | 7.5% |
| 2 SUPPLIER DEVELOPMENT CONTRIBUTIONS | | |
| 2.1 Annual value of all Qualifying Supplier Development Contributions made by the Measured Entity as a percentage of the Target | 7 | 1% of NPAT (for Contractors) 0.2% of Leviable Amount (for BEPs) |
| TOTAL | 29 | 2 |

KEY MEASUREMENT PRINCIPLES

- 2.1 The key measurement principles, sub-minimum requirements and benefit factor matrix under Statement CSC400 are applicable to this statement.
- 2.2 Any interpretation or calculation of a QSE's score for 'Preferential Procurement' and 'Supplier Development Contributions' must be made in accordance with statement CSC400.

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STATEMENT CSC 605 - SOCIO-ECONOMIC DEVELOPMENT FOR QSE**1. THE QSE SOCIO-ECONOMIC DEVELOPMENT SCORECARD**

The following table represents the criteria used for deriving a score for Socio-Economic Development under this statement for Contractors and BEP's in the Construction Sector.

| Socio-Economic Development | Weighting Points | Compliance Target |
|------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------|
| Annual value of all Qualifying Socio-Economic Contributions by the Measured Entity as a percentage of the Target | 3 | 1% of NPAT (for Contractors) & 0.2% of Leviable Amount (for BEPs) |
| Bonus Points | | |
| The portion of Qualifying Socio-Economic Contributions above spend on disadvantaged communities. | 2 | 50% of Target above |

2. KEY MEASUREMENT PRINCIPLES

- 2.1 The key measurement principles, sub-minimum requirements and benefit factor matrix under Statement CSC500, are applicable to this statement unless otherwise expressly stated herein.
- 2.2 Any interpretation or calculation of a QSE's score for Socio-Economic Development must be made in accordance with statement CSC500.

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BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT
SECTION 9(1) CONSTRUCTION SECTOR CODE OF GOOD PRACTICE AS AMENDED

SCHEDULE 1

INTERPRETATION AND DEFINITIONS

Part 1: Interpretation

The Construction Sector Code must be interpreted according to the following provisions unless the context requires a different meaning:

1. In interpreting the provisions of the Construction Sector Code any reasonable interpretation consistent with the objectives of the Act and the B-BBEE Strategy must take precedence.
2. Words importing persons shall where the context so requires or admits, include individuals, firms, partnerships, trusts, corporations, governmental bodies, authorities, agencies, unincorporated bodies of persons or associations and any organisation having legal capacity.
3. The Construction Sector Charter Council may from time to time issue best practice notes to clarify or explain some of the provisions contained in the Construction Sector Code. These practice notes may not contradict the terms it attempts to clarify. Neither may this mechanism be used to add new provisions to the existing Construction Sector Code.

Part 2: Definitions

In this Construction Sector Code unless the context otherwise requires:

Expressions, definitions and qualifications used in the Construction Sector Code have the meaning assigned to them in the Construction Sector Code gazetted under section 9(1) of the Broad-based Black Economic Empowerment Act of 2003, unless otherwise specified hereunder.

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| "Absorbed" | means a measure of the Measured Entity's ability to have successfully secured formal permanent or long-term contract employment for the Learner or to assist the Learner's proceed with further education and training. Where the Learner was already employed by |
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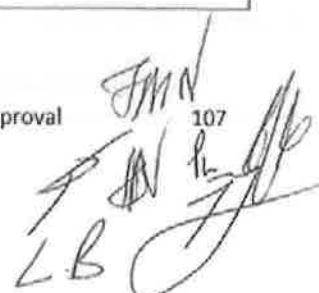
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| | the Measured Entity when he commenced the Learnership and merely continues with his/her existing employment after the Learnership, it will not qualify as Absorption. |
| "Acquisition Debt" | means the debts of: <ul style="list-style-type: none"> (a) Black Participants incurred in financing their purchase 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 for the same purpose as those in (a). (c) Debt that substitutes or replaces the debt in (a) and (b) above is still Acquisition Debt notwithstanding the fact that it may be owed to a different financier. |
| "Act" | means the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended. The terms "B-BBEE Act" has a corresponding meaning. |
| "Apprenticeship" | means an agreement between an apprentice and an employer for a set period of time during which the apprentice works and receives training in the workplace. |
| "Associated Enterprise" | means an Entity with which a Seller has concluded a Qualifying Transaction. |
| "B-BBEE" | means Broad-Based Black Economic Empowerment. |
| "B-BBEE Compliant Entity" | means a Measured Entity that has achieved at least a Level 1 to Level 8 B-BBEE Status Level as per statement CSC000; |
| "B-BBEE Controlled Company" | means for Entities measureable in terms of this Construction Sector Code, a juristic person (including a trust), having shareholding 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 for Entities measureable in terms of this Construction Sector Code, a juristic person (including a trust), having shareholding or similar members interest, that is B-BBEE 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 Recognition Level" | means the percentage B-BBEE Recognition Levels as determined; |

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| | <p>(a) For Entities that are neither Qualifying Small Enterprises nor Exempted Micro-Enterprises, using statement CSC000;</p> <p>(b) For Qualifying Small Enterprises, using the statement CSC000; and</p> <p>(c) For Exempted Micro-Enterprises, the applicable deemed B-BBEE Recognition under statement CSC000.</p> |
| "B-BBEE Status" | means the B-BBEE status of a Measured Entity as determined under statement CSC000. |
| "B-BBEE Strategy" | means the B-BBEE Strategy as contemplated in section 11 of the B-BBEE Act 53 of 2003 as amended. |
| "B-BBEE Verification Professional 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 Supplier Development and Socio-Economic Development Contributions claimable under statement CSC400 and CSC500. |
| "Benefit Matrix Factor" | means the Benefit Factor Matrix for Supplier Development and Socio-Economic Development Contributions claimable under statement CSC400 and CSC500. |
| "BEP" | means Built Environment Professional. These are enterprises that conduct the following activities: Planning, design and costing of construction projects in the built environment. Also, project management and design of a construction value chain including environment, energy, industrial, property, transport and infrastructure. Enterprises typically classified as BEP's include, but are not limited to, consulting engineering practices, architects, quantity surveyors and town planners. |
| "Black Designated Groups" | <p>means a person that at the date of acquiring their Rights of Ownership in the relevant entity qualified as:</p> <p>(a) Unemployed Black People not attending and not required by law to attend an 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 as 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> |

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| | (e) Black military veterans who qualify to be called a military veteran in terms of the Military Veterans Act 18 of 2011. |
| "Black New Entrants" | means Black Participants who hold rights of ownership in a Measured Entity and who, before holding Equity Instruments in other Entities which has a total value of more than R50 million measured using a Standard Valuation Method. |
| "Black People" | Is a generic term which means African, Coloureds and Indians |
| | (a) Who are citizens of the Republic of South Africa by birth or descend; or (b) Who became citizens of the Republic of South Africa by naturalisation- (i) Before 27 April 1994; or (ii) On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to the date. |
| "Broad-Based Ownership Scheme" | means an ownership scheme which meets the rules set out in Annexe CSC100 (B). |
| "Certified Learning Programme" | means any Learning Programme for which the Measured Entity has: (a) Any form of independent written certification as referred to in the "Learning Achievements" column of the Learning Programme Matrix; or if it does not have such certification; (b) An enrolment certificate issued by the independent person responsible for the issue of the certification referred in statement CSC300 confirming the employee has: (i) Enrolled for, is attending and is making satisfactory progress in the Learning Programme; or (ii) Enrolled for but not attended the Learning; or Attended the Training Programme but has failed an evaluation of their learning progress. |
| "Charter" | means the Construction Sector Charter as gazetted under section 12 of the Act. |
| "Codes of Good Practice" | means the Broad-Based Black Economic Empowerment Codes of Good Practice, 11 October 2013 (Gazette nr.32698) as amended. The term 'General Codes' or 'Amended Codes' has a corresponding meaning. |
| "Companies Act" | means the Companies Act, No. 71 of 2008 as amended or substituted. |
| "Competent Person" | means a person who has acquired through training, qualification and experience the knowledge and skills |

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| | necessary for undertaking any task assigned to them under the codes. |
| "Construction Material Suppliers" | means enterprises that conduct the following activities: manufacturing, creation or supply of building material and equipment used in construction for example cement, concrete, bricks, electrical equipment and steel. It includes enterprises that provides plant hire for construction related activities. |
| "Construction Related Activities" | means the activities conducted by Contractors, BEP's and Construction Material Suppliers |
| "Construction Sector" | <p>means all enterprises who derive more than 50% of their annual Revenue from Construction Related Activities. For the avoidance of doubt, being registered with any of the following bodies, does not automatically render the enterprise to be part of the Construction Sector:</p> <ul style="list-style-type: none"> (i) Construction Industry Development Board (CIDB); (ii) National Home Builders Registration Council (NHBRC); (iii) Construction sector Education and Training Authority (CETA); <p>The key consideration to determine whether a Measured Enterprise falls within the Construction Sector, notwithstanding registration with these bodies, remains whether or not the majority of its annual Revenue is derived from Construction Related Activities.</p> |
| Construction Sector Charter Council | The body established as part of the Construction Charter development process which represents the constituents who form part of the Construction Sector and the development of this Construction Sector Code. |
| "Construction Sector Code" | means this revised Construction Sector Code issued in terms of section 9(1) of the Act. The abbreviation "CSC" has a corresponding meaning. |
| "Contractor/s" | <p>means enterprises that conduct construction project activities that include, civil engineering, electrical engineering, power transmission, general building and specialist construction works as per the CIDB grading tables below:</p> <ul style="list-style-type: none"> CE Construction work primarily concerned with materials such as steel, concrete, earth and rock (water, sewerage, roads, railways, bridges, dams, cooling towers, grand stand. EB Electrical engineering works, all electrical work forming an integral part of building |

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| | including any wiring (installations in buildings, reticulations within a plot of land (erf) or building site. |
| EP | Electrical power generation, transmission, control and distribution equipment and system (power generation, street and area lighting, substations and protection system). |
| GB | Building and ancillary works other than civil engineering works, electrical engineering works, mechanical engineering works, specialist works (air – conditioning and mechanical, Boiler installation and steam distribution, central heating). |
| SB | Asphalts or any other related business. |
| SC | Building excavations, shaft sinking and lateral earth support. |
| SG | Glazing, curtain walls and shop fronts. |
| SH | Landscaping, irrigation and horticultural works. |
| SI | Escalators, travellers and hoisting machinery. |
| SJ | Specialized foundations for buildings and structures. |
| SL | Structural steelwork and scaffolding. |
| SN | The waterproofing of basements, roofs and walls using specialist systems. |
| "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; without whose skills or expertise, the entity could not operate. |
| "Critical Skills" | means those skills identified as being critical by any SETA. |

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| "Current Equity Interest Date" | means the later occurring of the date of commencement of the old Construction Sector Code (Gazette 32259, 22 May 2009) and the date upon which the earliest of all still operative transactions undertaken by the Measured Entity in order to achieve black rights of ownership, became effective and unconditional. |
| "EAP" | the national or provincial, whichever the case may be, Economically Active Population as determined by Stats SA and annually published in the Commission for Employment Equity Report in terms of the employment Equity Regulations from time to time. The operative EAP for the purposes of any calculation under the Codes will be the annual EAP statistics published in the Commission for Employment Equity Report immediately preceding the Measurement Period being measured. |
| "Economic Interest" | means 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 and, where applicable, the Modified Through Principles. |
| "Employment Equity Act" | means the Employment Equity Act No. 55 of 1998, as amended. |
| "Employment Equity Regulations" | means the regulations under the Employment Equity Act. |
| "Elements" | means the measurable quantitative or qualitative elements of B-BBEE compliance in the Large Enterprise Scorecard and the Codes. |
| "Employed Learner" | In terms of section 18(1) of the Skills Development Act it 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. |
| "Employee with a Disability" | 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; align with the Employment Equity Act. |
| "Employee" | bears the meaning as defined in the Employment Equity Act. |
| "Employee Share Ownership Programme" | means a worker or employee scheme as per Annexe CSC100(C). |
| "Empowering Supplier" | means a B-BBEE Compliant Entity, which complies with all regulatory requirements of the Employment Equity Act, Skills Development Levies Act and has a valid tax clearance certificate and which meets at |

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| | <p>least three if it is a large enterprise or one if it is a QSE of the following criteria:</p> <ul style="list-style-type: none"> (a) At least 25% of cost of sales excluding labour cost and depreciation must be procured from local producers or local supplier in South Africa, for service industry labour cost are included. A local supplier is a business or individual that is registered in South Africa. (b) At least 85% of Total Labour Cost should be paid to South African Employees. (c) Job creation – at least 50% of jobs created during the Measurement Period are for Black People provided that the percentage of Black employees since the immediate prior verified B-BBEE Measurement is maintained. (d) A minimum of 25% Total Measured Procurement Spend must be materials which are transformed or benefited by the Measured Entity. Beneficiation includes construction, local manufacturing, production and/or assembly, and/or packaging. The beneficiation itself is not required to have a particular minimum value. Businesses typically excluded from relying on this criteria are those that merely import and distribute a product or material without adding value. (e) Spend at least 12 days per annum in assisting 51% Black Owned, EMEs and QSEs to increase their operational and/or financial capacity. (f) Membership to a recognised industry body operating within the Construction Sector. (g) Compliance with the Basic Conditions of Employment Act and Labour Relations Act. An Independent Competent Person's Report must be provided. <p>The Construction Sector Charter Council will from time to time issue practice notes to amplify or explain the application of the Empowering Supplier Status concept.</p> |
| "Entity" | means a legal entity or a natural or a juristic person conducting a business, trade or profession in the Republic of South Africa. |
| "Entrepreneur" | means a person who starts and/ or operates a business which includes identifying opportunities in the market, taking risks with a view of being rewarded with profits. |
| "Equity Equivalent Contribution" | means an equity equivalent contribution made by a Multinational under an Equity Equivalent Investment Programme. |
| "Equity Equivalent Investment" | means a public programme or scheme of any |

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| "Programme" | government department, provincial or local government in the Republic of South Africa or any other programme approved by the Minister as an Equity Equivalent Investment Programme. |
| "Equity Instrument" | means the instrument by which a Participant holds rights of ownership in an Entity. |
| "Equivalency Percentage" | means a percentage ownership performance for all the indicators in the Associated Enterprise's Ownership Scorecard arising from a Qualifying Transaction included in the Ownership Scorecard of the beneficiary entity. |
| "Exclusion Principle" | <p>is a measurement principle used when calculating the points for the various indicators of the Ownership scorecard that allows for the deduction of a number of rights of ownership (whether it be voting rights or economic interest), from the total of such rights issued by the Measured Entity, before expressing those rights of ownership held by black Participants, as a percentage of all such rights of ownership issued. Code CSC100 and its statements allows, as directed by those statements, for the exclusion of four categories of rights of ownership:</p> <ul style="list-style-type: none"> a) those held by Organs of State and Public Entities; b) those held as Mandated Investments; c) those held by Non-Profit Companies or Public Benefit Organisations; d) rights of ownership that equates to the value of the foreign operations of a Multinational Business operating in South Africa or a South African Multinational Business; <p>The exclusions of Ownership held through the entities in (a) to (c) above is to be effected before any exclusion in terms of (d) is to be applied.</p> |
| "Executive Directors" | means those members of the Board who are executive directors as defined in the King III Report, as amended from time to time. |
| "Exempted Micro Enterprise" | means an Entity with a total annual Revenue of R10 (ten) million or less if it is a Contractor or R6 (six) million or less if it is a BEP. |
| "Exercisable Voting Rights" | meaning a voting right of a Participant that is not subject to any limit. |
| "Global Practice" | means a globally and informally applied practice of a Multinational, restricting alienation of equity in or the sale of businesses in its regional operations. 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 |

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| | quantifiable benefits which are not recoverable by the Measured Entity. |
| "Group Structure" | means an ownership arrangement whereby one or more Measured Entities that are juristic persons are subsidiaries of another Measured Entity that would qualify as a holding company. |
| "Higher Education Institution" | means a higher education institution as defined under the higher Education Act of 1997. |
| "Indicator Percentage" | means the percentage compliance of the Associated Entity for all the indicators of the Associated Enterprises ownership Scorecard. The calculation of indicator Percentages follows the rules in statement CSC100 using the actual percentage compliance for each indicator and not the resulting scores. |
| "Industry" | Collective term for enterprises that operate within the Construction Sector as outlined in par. 3.1 and 3.2 of CSC000. |
| "Internship" | means an opportunity to integrate career related experience into an undergraduate education by participating in planned, supervised work. |
| "Junior Management" | 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. |
| "Large Enterprise" | means a Measured Entity with a total annual Revenue equal to or more than R50 million if it is a Contractor or equal to or more than R25 million if it is a BEP. |
| "Learnership" | means a work-based route to a qualification. It is a workplace education and training programme comprising both structured practical workplace (on-the-job) experience and structured theoretical training. |
| "Learning Programmes" | means any learning programme set out in the learning Programme Matrix. |
| "Learning Programme Matrix" | means the Learning Programme Matrix annexed as Annexe CSC300 (A) in statement CSC300. |
| "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. |
| "Management Fees" | means the total Economic Interest received by a Broad-Based Ownership Scheme or Black participants in any year less the amounts distributed or applied to beneficiaries and the amounts reserved for the future distribution or application. |
| "Mandated Investment" | means any investments made by or through any third party regulated by South African 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 investments and the portions of those investments subject to the exclusion principle |

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| | are contained in Annexe CSC100A attached to statement CSC100. |
| "Measured Entity" | means an Entity as well as an organ of state or public entity subject to measurement under the Codes. |
| "Measurement Period" | <p>means, subject to the following, the financial period of the Measured Entity:</p> <ul style="list-style-type: none"> (a) The financial period of a Measured Entity is a period of 12 consecutive calendar months; (b) Where however the Measured Entity amended its financial reporting period from one year to another the financial period may, for that particular year in question, be more or less than 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 purposes of determining its classification as an EME, QSE or Large Enterprise the Measured Entity must however, irrespective of the election it exercises above, do so with reference to the 12 months ending on the last day of the amended financial period; (c) Measured Entities for which verification is required may not be measured for a Measurement Period that has ended more than 12 months prior to the commencement of the verification thereof; (d) For EME's and QSE's that are allowed to merely make an affidavit, the Measurement Period must be the 12 consecutive calendar months that immediately precedes the last day of the most recently completed financial period; (e) The Measurement Period is the period over which the 'Skills Development', 'Preferential Procurement and Supplier Development' and 'Socio-Economic Development' elements must be measured. This statement does not detract from the requirement that for the purpose of calculating the target for Supplier Development and Socio-Economic Development regard should be had to the financial position of the Measured Entity that precedes the Measurement Period. Only contributions that become payable within the Measurement Period will however be recognised. |
| "Measurement Date" | means the last day of the Measurement Period or such later date agreed upon with the Measured Entity that is as close as practically possible to the commencement of the verification or to the making of the affidavit whichever the case may be. The term 'Date of Measurement' has a corresponding meaning. |

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(The 'Ownership' and 'Management Control' elements must be measured as at the Measurement Date. For the avoidance of doubt - these two elements may not be measured on different dates.)

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| "51% Black Owned" | means an Entity in which: (a) Black People hold at least 51% of the exercisable voting rights as calculated under indicator 2.1.1 of Code series CSC100; (b) Black People hold at least 51% of the economic interest as calculated under indicator 2.2.1 of Code series CSC100; and (c) Has earned all the points for Net Value under statement CSC100; |
| "100% Black Owned" | means an Entity in which : (a) Black People hold 100% of the exercisable voting rights as calculated under indicator 2.1.1 of Code series CSC100; (b) Black People hold at least 100% of the economic interest as calculated under indicator 2.2.1 of Code series CSC100; and (c) Has earned all the points for Net Value under statement CSC100. |
| "51% Black Women Owned" | means, an Entity in which: (a) Black women hold at least 51% of the exercisable voting rights as determined under Code series CSC100; (b) Black women hold at least 51% of the economic interest as determined under Code series CSC100; and (c) Has earned all the points for Net Value under statement CSC100 |
| "30% Black Owned" | means an Entity in which: (a) Black People hold at least 30% of the exercisable voting rights as calculated under indicator 2.1.1 of Code series CSC100; (b) Black People hold at least 30% of the economic interest as calculated under indicator 2.2.1 of Code series CSC100; and (c) Has earned all the points for Net Value under statement CSC100; |
| "30% Black Women Owned" | means an Entity in which: (a) Black women hold more than 30% of the exercisable voting rights determined under Code series CSC100 |

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| | (b) Black women hold more than 30% of the economic interest as determined under Code series CSC100; and (c) Has earning all the points for Net Value under statement CSC100. |
| "35% Black Women Owned" | means, an Entity in which: (a) Black women hold at least 35% of the exercisable voting rights as determined under Code series CSC100; (b) Black women hold at least 35% of the economic interest as determined under Code series CSC100; and (c) Has earned all the points for Net Value under statement CSC100 |
| "Middle Management" | 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. |
| "Multinational Business" | means a Measured Entity with a business in the Republic of South African and elsewhere which maintains its international headquarters outside the Republic. The term 'South African Multinational' has a similar meaning except that it has its international headquarters inside 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 the International Financial Reporting Standard (IFRS) as amended from time to time. |
| "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 the International Financial Reporting Standard (IFRS) as amended from time to time. |
| "Net Value" | means the points resulting from the application of paragraph 4 of Annex C CSC100(E) of statement CSC100. |
| "Non-Profit Company" | means a non-profit company as defined by the Companies Act 71 of 2008. The term also includes Section 21 Companies and Companies Limited by Guarantee as per the previous Companies Act. |
| "Non-Profit Organisation" | means a non-profit organisation registered under the Non-Profit Organisation Act of 1997. |
| "Original Codes" | means the Broad-Based Black Economic Empowerment Codes of Good Practice, 9 February 2009 (Gazette no.29617). |

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| "Old Construction Sector Code" | means the Construction Sector Code, 12 June 2009 (Gazette no. 32320). The term 'Old CSC' has a corresponding meaning. |
| "Organ of State" | has the meaning assigned to it in the Preferential Procurement Policy Framework Act 5 of 2000. |
| "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 remuneration accrues because of any services rendered by such person to or behalf of a labour broker. |
| "Participant" | means a natural person holding rights of ownership in a Measured Entity. |
| "Pivotal Report" | 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. |
| "Priority Skills" | means Core, Critical and Scarce Skills as well as any skills specifically identified: (a) In a Sector Skills Plan issued by the Department of Labour of the Republic of South Africa (b) National Skills Development Strategy III (c) New Growth Path; and (d) National Development Plan |
| "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. |
| "Public Entity" | has the meaning assigned to it in the Public Finance Management Act no.1 of 1999. |
| "Public Benefit Organisation" | means an entity as defined in section 30 of the Income Tax Act of 1962. |
| "Qualifying Beneficiary Entities" | means recipients of Qualifying Supplier Development Contributions. |
| "Qualifying Supplier Development Contributions" | means Supplier Development Contributions targeting Entities: (i) which are at least 51% Black Owned; and (ii) an EME or QSE; or (iii) in the event of a Large Enterprise Measured Entity a beneficiary entity who's total annual Revenue, for the financial period that preceded the contribution for the Measurement Period, did not exceed 30% of the Measured Entities total annual Revenue for the Measurement Period. |

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| "Qualifying Small Enterprise" | means an Entity that qualifies for measurement under the Qualifying Small Enterprise scorecard with a total annual Revenue of more than R10 million but less than R50 million if it is a Contractor or more than R6 million but less than R25 million if it is a BEP. The abbreviation 'QSE' has a corresponding meaning. |
| "Qualifying Socio-Economic Contributions" | is a collective term for Socio-Economic Project Contributions, Socio-Economic Development Contributions and Structured SED Projects. |

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| "Qualifying Transaction" | means a sale of business, valuable business assets or shares that results in the creation of specialised skills or productive capacity to Black People. |
| "Related Enterprise" | means an Entity controlled by a Measured Entity whether directly or indirectly controlled by the natural persons who have direct or indirect control over that Measured Entity or the immediate family of those natural persons. |
| "Revenue" | has the meaning ascribed to it in the International Financial Reporting Standard (IFRS, International Accounting Standard 18) as amended from time to time. (a) It includes Revenue derived from Joint Ventures and Consortiums the Measured Entity is part of; and (b) It excludes income derived on behalf of third parties, as is often the case within the Construction Sector. However, where the financial statements of the Measured Entity includes such third party income under the Revenue item, the onus will vest with the Measured Entity to prove that it is third party income. |
| "Rights of Ownership" | is a collective term for the right to Economic Interest and the right to Exercisable Voting Rights. |
| "Scarce Skills" | are those skills identified as being scarce by any SETA. |
| "Sector Code" | means a code in statement 003 which is applicable to a particular sector. |
| "Sector Specific Contributions" | Qualifying Socio-Economic Contributions and/or initiatives approved by the Construction Sector Charter Council for the sub-sector in which the Measured Entity operates. Such contributions are extraneous to the Measured Entity's regular business activities and do not form part of any legal obligation upon the enterprise. |
| "Seller" | means the Entity or the person concluding a Qualifying Transaction with the Associated Enterprise. |

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| "Senior Management" | 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. |
| "Skills Development Expenditure" | comprises the legitimate training expenses that a Measured Entity incurs on skills development. It excludes the skills development levy payable by the Measured Entity under the Skills Development Levies Act. |
| "Socio-Economic Development Contributions" | <p>means monetary or non-monetary contribution implemented for communities, natural persons or groups of natural persons that benefit 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:</p> <ul style="list-style-type: none"> (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, cultural or sporting development programmes. (f) Coaching, mentoring and developing individuals or communities which will assist them to increase their financial capacity; (g) Provision of infrastructure facilities to communities in the areas in which the Measured Entity operates; (h) Access to Employee housing schemes for Black Employees of the Measured Entity; |

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| "Socio-Economic Project Contributions" | means monetary or non-monetary contributions carried out for the benefit of any projects approved for this purpose by any organ of state or the Construction Sector Charter Council including without limitation: (a) Projects focusing on environmental conservation, awareness, education and waste management; (b) Projects targeting infrastructural development or reconstruction in underdeveloped areas; rural communities or geographical areas identified in the government's integrated sustainable rural development or urban renewal programmes; and (c) New projects promoting beneficiation; (d) Sector Specific Contributions. |
| "South African Operations" | means operations and work executed within South Africa |
| "Standard Valuation Method" | means a standard valuation method for an asset, an Economic Interest, or any other instrument or right relevant to measurement under Code CSC100, undertaken using normal valuation methods that represent standard market practice. |
| "Start-up Enterprise" | means a recently formed or incorporated Entity that has been in operation for less than 1 year. An entity that was formed and incorporated some time ago but which has been dormant (non-operational), will qualify as a start-up enterprise for the first year after it commences operations. A start-up enterprise does not include any newly constituted enterprise which is merely a continuation of a pre-existing enterprise. |
| "Structured SED Projects" | means Socio-Economic Development Contributions or Socio-Economic Project Contributions that are made in accordance with a structured SED plan. This plan should include: (a) A description of the programme; (b) Clear objectives including financial targets and commitments; (c) Priority interventions; (d) A concise implementation plan with clearly articulated milestones; |
| "Subsidiary" | has a meaning defined in section 1(3) of the Companies Act. |

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"Suitable Evidence or Documentation"

means, notwithstanding any provisions to the contrary in the Verification Manual (Gazetted 31255, 18 July 2008) as amended from time to time, evidence or documentation that includes without limiting the generality of the term:

- (a) representations by the Measured Entity regarding its B-BBEE Status that can be substantiated out of audited or reviewed financial statements, an independent Competent Person's report, other third party confirmation or where appropriate having regard to available evidence, in the absence of third party confirmation, a representation by management of the Measured Entity attesting to the facts.
 - (i) a verification professional considering aforementioned evidence or documentation in support of any representation must apply professional judgement in evaluating the appropriateness thereof;
 - (ii) cannot dissolve itself of its responsibility to conduct a thorough verification by relying only on this type of evidence or documentation where in fact other evidence, as is required by the Verification Manual, is readily available; and
 - (iii) In evaluating the appropriateness of evidence it must achieve a reasonable level of comfort with respect to any conclusion it reaches.
- (b) in the case of Broad-Based Ownership Schemes, Employee Share Ownership Programmes and Trusts, Verification Professionals may rely on interviews with fiduciaries (where available, independent fiduciaries) of these schemes instead of the individual Participants of these schemes to achieve a reasonable level of comfort with regard to the Rights of Ownership that flow through them.

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| "Supplier" | means any distributor, supplier, service provider, consultant or Contractor to the broader Construction Industry (i.e not necessarily to the Measured Entity). |
| "Supplier Development Contributions" | means monetary or non-monetary contributions as per Statement CSC400 read together with Annex C SC400(B) carried out for the benefit of Suppliers (as defined above), with the objective of contributing to the development, sustainability and financial and operational independence of those Suppliers. |
| "Target" | means the targets for the various Elements in the Large Enterprise and QSE Scorecard. |
| "the Act" | means the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended. |
| "the Codes" | means the Codes of Good Practice including all statements as issued under section 9 of the Act. |
| "the Large Enterprise Scorecard" | means the balanced B-BBEE scorecard for large enterprises as contained in statement CSC000. |
| "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 Levies Act of 1999. |
| "the Strategy Document" | means the document entitled "South Africa's Economic Transformation – A Strategy for Broad-Based Black Economic 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" | means third party legal or commercial rights that restrict withhold or defer any benefit associated with ownership of any Equity Instrument. Third party rights include only those rights: (a) Created against a black participant to secure, for a lender, repayment of a loan advanced to that Participant for financing their purchase of their equity instrument in the Measured Entity; (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. |
| "Total Labour Cost" | means the total amount of remuneration paid by an Entity to its employees determined using section 3(4) of the Skills Development Levies Act of 1999 and the Forth Scheduled of the Income Tax Act of 1962. |
| "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, Apprenticeship or |

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| | Internship concerned when the Learnership, Apprenticeship or Internship commenced. The employer and learner must therefore enter into a contract of employment. For the avoidance of doubt, the employer is not necessarily the Measured Entity. Refer to the Skills Development Act. |
| "Unincorporated Joint Venture" | Means a joint venture between two or more Measured Entities affected by agreement without incorporation of those entities into a single juristic person. It is normally, although not necessarily, formed ad-hoc for a specific project, in which two or more parties share the obligations, risks and rewards. |
| "Voting Right" | means a voting right attaching to an Equity Instrument owned by or held for a participant measured using the Flow through Principle or the Modified Flow Through Principle. |
| "Weighting" | means the weightings applied to various Elements in the Large Enterprise Scorecard and QSE Scorecard. |
| "Workplace Skills Plan" | means the plan of a Measured Entity approved by the relevant SETA. |

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Engagement, Approval and Implementation

The process of aligning the Construction Sector Codes to the Revised Generic Codes of Good Practice, has been undertaken through a process of collaboration, engagement, industry-wide consultation and agreement between the Parties that are signatories to the Construction Sector Charter Council Constitution and participants in Council meetings and the alignment process.

The signatures attached hereto, are testament to this engagement, and confirm that these revised codes are hereby duly accepted by all member organisations that form part of the Construction Sector Charter Council.


For National Union of Mineworkers (NUM)**Authorised Signatory (s)**

| | | |
|------------------------|-----------------------------|-------------------------------------------------------------------------------------|
| <u>LUTHANDO BRUKWE</u> | <u>HEAD: TRANSFORMATION</u> |  |
| Full Name | Capacity/ Designation | Signature |

| | | |
|--------------------------|--------------------------------|-------------------------|
| Full Name | Capacity/ Designation | Signature |
| Signed at <u>MIDRAND</u> | on this <u>28th</u> | day of <u>JULY</u> 2016 |

For National Department of Public Works (DPW)**Authorised Signatory (s)**

| | | |
|----------------------------|-----------------------|---------------------------------------------------------------------------------------|
| <u>Ms M. Fatyela-Indie</u> | <u>ADDP: POLICY</u> |  |
| Full Name | Capacity/ Designation | Signature |

| | | |
|----------------------------|---------------------------------|---------------------------------------------------------------------------------------|
| <u>MS IRVINE NEMATJINI</u> | <u>ACD: CONSTRUCTION POLICY</u> |  |
| Full Name | Capacity/ Designation | Signature |

| | | |
|--------------------------|-------------------|-------------------------|
| Signed at <u>MIDRAND</u> | on this <u>28</u> | day of <u>JULY</u> 2016 |
|--------------------------|-------------------|-------------------------|

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