

# GENERAL NOTICE

## NOTICE 1023 OF 2010

### (DEPARTMENT OF TRADE AND INDUSTRY)

#### CODES OF GOOD PRACTICE ON BROAD BASED BLACK ECONOMIC EMPOWERMENT

#### CORRECTION NOTICE

General Notice 991 published in *Government Gazette* No. 33660 of 15 October is hereby corrected as follows:

Delete "CODE 100": OWNERSHIP SCORECARD" at the bottom of page 13.

Substitute pages 14 and 15 with the following pages:

#### CODE 100: OWNERSHIP SCORECARD

CATEGORY	OWNERSHIP INDICATOR	WEIGHTING POINTS		COMPLIANCE TARGET (5Years)	
		Property Owning companies	All other transactions	Property owning companies	All other transactions
Voting Rights	Exercisable Voting Rights in the Enterprise in the hands of black people	5	3	25%+1vote	25% +1 vote
	Exercisable Voting Rights in the Enterprise in the hands of black women	2	2	10%	10%
Economic interest	Economic Interest of black people in the Enterprise	5	4	25%	25%
	Economic Interest of black women in the Enterprise	2	2	10%	10%
	Economic interest of the following black natural people in the enterprise: 1. black designated groups; 2. black Participants in Employee Ownership Schemes; 3. black beneficiaries of Broad based Ownership Schemes; or 4. black Participants in Co-operatives	1	1	2.5%	2.5%
Realization points	Ownership fulfilment	1	1	1	Refer to paragraph 10.1 of Codes of Good Practice
	Net equity Value	4	7	Year1 – 3% Year 2 – 7% Year 3 – 10% Year 4 – 15% Year 5 – 19% Year 6 – 24% Year 7 – 30% Year 8 – 36% Year 9 – 43% Year10- 50%	Annexure C paragraph 4 of the codes of Good Practice
Bonus points	Involvement in the ownership of the Enterprise of black new entrants;	2	2	10%	10%
	Involvement in the ownership of the Enterprise of Black participants: 1. in Employment Ownership schemes 2. of Broad-based ownership Scheme; 3. Co-operatives	1	1	10%	10%

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### MANAGEMENT CONTROL

9.1 Black people, black women and designated groups continue to be under-represented at board level and in executive management in the sector.

9.2 Enterprises in the sector therefore commit to achieve the following minimum targets over ten years:

9.2.1 50% of voting rights of black people at board level, using adjusted recognition for gender;

- 9.2.2 50% black executive directors, using adjusted recognition for gender;
- 9.2.3 40% black Senior Top management level, using adjusted recognition for gender;
- 9.2.4 40% black other Top management level, using adjusted recognition for gender.

## CODE 200: MANAGEMENT CONTROL SCORECARD

CATEGORY	MANAGEMENT CONTROL INDICATOR	WEIGHTING POINTS	COMPLIANCE TARGET
Board participation	Exercisable Voting Rights of black Board members who are black using the Adjusted Recognition for Gender	3	50%
	Black Executive Directors using the Adjusted Recognition to gender	2	50%
Top Management	Black Senior Top Management using the Adjusted Recognition for genders	3	40%
	Black Other Top Management using the Adjusted Recognition for genders	2	40%
Bonus	Black Independent Non-Executive Board Member	1	40%

**10 EMPLOYMENT EQUITY**

- 10.1 Despite the introduction of the Employment Equity Act, No. 55 of 1998, racial and gender representivity in the property sector, especially in the various management categories, is not representative of the demographics of the country.
- 10.2 Consequently, each property sector enterprise undertakes to:
- 10.2.1 Implement transformation programmes in its workplace and eradicate inequalities and disparities;
- 10.2.2 Promote a non-racial, non-sexist environment and enhance cultural diversity and gender sensitivity; and
- 10.2.3 Ensure reasonable accommodation and access for applicants of employment and employees with disabilities within the sector
- 10.3 In addition to obligations in terms of employment equity, enterprises in the sector commit to achieve the following targets within five years from the effective date of the sector charter;
- 10.3.1 2% Black disabled employees as percentage of all employees;