



unlocking business opportunity

www.hugegroup.co.za

Tel: 0860 03 04 03

HUGE GROUP LIMITED

BROAD-BASED BLACK ECONOMIC EMPOWERMENT


COMPLIANCE WITH THE AMENDED ICT SECTOR CODES

The Board of Huge Group Limited (**Huge**) has identified compliance with the Amended ICT Sector Codes of the Broad-Based Black Economic Empowerment Act 53 of 2003 (as amended by the B-BBEE Act 46 of 2013) (**Amended ICT Sector Codes**) as a key strategic objective of the Growing Huge Strategy and constitutes a key component of being a responsible corporate citizen and ensuring the sustainability of its business in a more representative society. Huge has published its B-BBEE Compliance Plan in its Integrated Report for the financial year ended 2018.

Huge is required by the JSE Limited to submit an annual compliance report to the B-BBEE Commission in respect of its compliance with the Amended ICT Sector Codes. In this regard Huge has undertaken a separate verification audit for the prior financial year. This audit takes into account the fact that Huge, as a separate statutory entity and not a consolidation of its subsidiary companies, performs the function of a holding company for the wider group.

In terms of its B-BBEE Compliance Plan, Huge aims to achieve a substantially improved position in terms of complying with the Amended ICT Sector Codes both as a separate statutory entity and on a consolidated basis, with specific reference to compliance at Huge Connect Proprietary Limited and Huge Telecom Proprietary Limited.

SOCIAL AND ETHICS COMMITTEE REPORT TO SHAREHOLDERS

Huge aims to be a proactive contributor to good corporate citizenship and it has identified the improvement of the Group's B-BBEE profile as a key strategic objective of the Growing Huge Strategy . The Board understands that compliance with the Revised Codes of Good Practice (the **Revised Codes**) and the ICT Sector Charter constitutes a key component of being a responsible corporate citizen and ensuring the sustainability of its business in a more representative society.

The Social and Ethics Committee assists the Board in monitoring compliance with the ICT Sector Charter and the delivery of the B-BBEE Compliance Plan which paves the way for Huge and its major operating subsidiary companies to achieve a compliant status following their next assessment period. During 2018 and 2019, specific plans will focus on achieving compliance by Huge Connect and Huge Telecom.

B-BBEE COMPLIANCE PLAN

In respect of the Ownership requirements of the Revised Codes, a measurement exercise as at 28 February 2018 confirmed that Huge has approximately 6% Black Ownership, which flows through to its wholly owned subsidiary companies.

The public and listed status of Huge presents unique challenges in respect of the Ownership requirements of the Revised Codes, which must be managed in light of investor and stakeholder expectations, as well as market-related and economic factors. The Investment Committee has been tasked by the Board to identify B-BBEE partners with whom a suitable Ownership model can be explored.

In respect of the Management Control requirements of the Revised Codes, consideration is being given to options which will allow the Group and its subsidiary companies to improve their respective B-BBEE scorecards.

In respect of the requirement of the Revised Codes relating to Skills Development, Enterprise and Supplier Development and Socio-Economic Development (the **Elements**), Huge supports the budgetary commitment of Huge Connect and Huge Telecom to ensure that the necessary expenditure takes place which will allow both companies to comply with the Elements of the Revised Codes.

Element	Project identified	Huge Connect	Huge Telecom
Skills Development	Training programmes supporting staff and disabled Black individuals through eDeaf	R150 000	R300 000
Enterprise and Supplier Development	Huge Procurement Hub with 51% Black Ownership	R2 500 000	R900 000
Socio-Economic Development	ICT products and services to educational facilities	R750 000	R275 000

Broad Based Black Economic Empowerment Verification Certificate

Issued to

Huge Group Ltd

Non-Compliant Contributor

Measured Entity

Company Name Huge Group Ltd
Registration Number 2006/023587/07
VAT Number 4390253955
Address Unit 6
 1 Melrose Boulevard
 Melrose Boulevard
 Johannesburg

B-BBEE Status

B-BBEE Status Level Non-Compliant

Element Points Obtained	EO: 3.51 points; MC: 3.33 points; SD: 0 points; ESD: 16.35 points; SED: 0 points
Discounting Principle Applied	No
Empowering Supplier	Yes

**Black Owned: >=51% and full points for Net Value*

**Black Women Owned: >=30% and full points for Net Value*

Black Voting Rights	5.02%	Black Women Voting Rights	1.25%
Black Economic Interest	5.02%	Black Women Economic Interest	1.25%
51% Black Owned *	No	30% Black Women Owned *	No
Black Designated Group Supplier	No	Normal Flow Through Principle Applied	

Issue Date 13/07/2018
Expiry Date 12/07/2019
Certificate Number ELC8083RQSEBBICT
Version Final
Applicable Scorecard Amended ICT - QSE
Applicable BBEE Codes Amended ICT Codes Gazetted on 7 November 2016

EmpowerLogic (Pty) Ltd

Reg. No. : 1995/000523/07

BBBEE Verification Agency

Per P Govender
 Member - Verification Committee



SANAS Accredited



BVA018

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 120 Points	135%
2	≥ 115 but < 120	125%
3	≥ 110 but < 115	110%
4	≥ 100 but < 110	100%
5	≥ 95 but < 100	80%
6	≥ 90 but < 95	60%
7	≥ 75 but < 90	50%
8	≥ 55 but < 75	10%
Non Compliant	<55	0%

Enquiries
 Tel:
 086 111 4003
 Fax:
 086 505 7284
verification@empowerlogic.co.za
www.empowerlogic.co.za

Broad Based Black Economic Empowerment Verification Certificate

Issued to

Huge Group Ltd

Non-Compliant Contributor

Measured Entity

Company Name Huge Group Ltd
Registration Number 2006/023587/07
VAT Number 4390253955
Address Unit 6
 1 Melrose Boulevard
 Melrose Boulevard
 Johannesburg

B-BBEE Status

B-BBEE Status Level Non-Compliant

Element Points Obtained	EO: 3.51 points; MC: 3.33 points; SD: 0 points; ESD: 16.35 points; SED: 0 points
Discounting Principle Applied	No
Empowering Supplier	Yes

**Black Owned: >=51% and full points for Net Value*

**Black Women Owned: >=30% and full points for Net Value*

Black Voting Rights	5.02%	Black Women Voting Rights	1.25%
Black Economic Interest	5.02%	Black Women Economic Interest	1.25%
51% Black Owned *	No	30% Black Women Owned *	No
Black Designated Group Supplier	No	Normal Flow Through Principle Applied	

Issue Date 13/07/2018
Expiry Date 12/07/2019
Certificate Number ELC8083RQSEBBICT
Version Final
Applicable Scorecard Amended ICT - QSE
Applicable BBEE Codes Amended ICT Codes Gazetted on 7 November 2016

EmpowerLogic (Pty) Ltd

Reg. No. : 1995/000523/07

BBBEE Verification Agency

Per P Govender
 Member - Verification Committee



SANAS Accredited



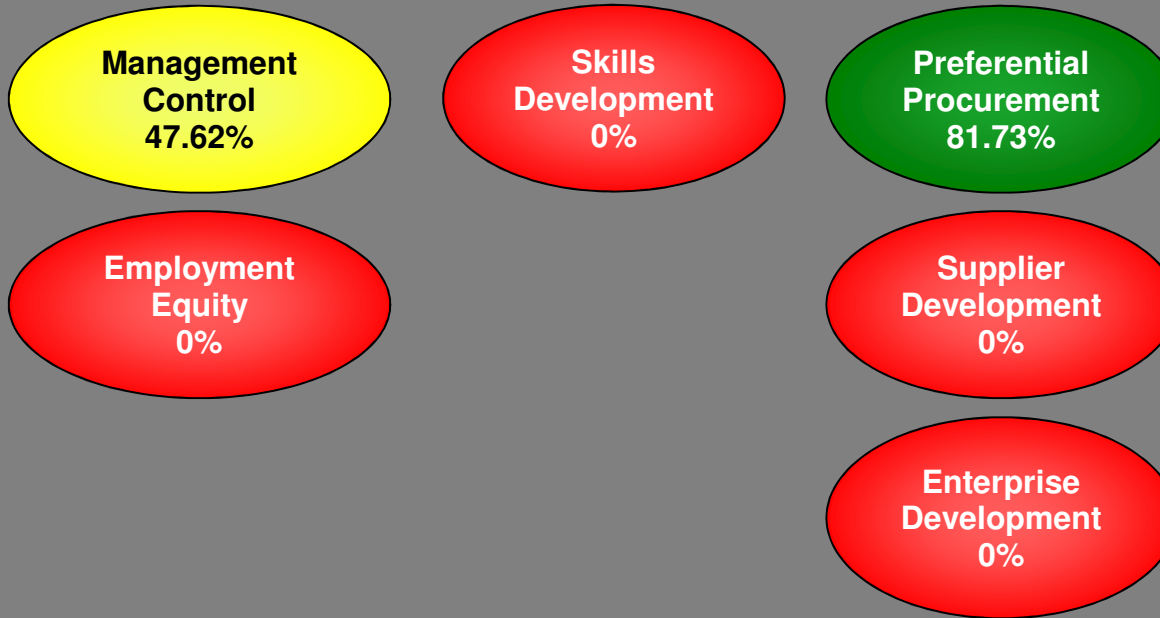
BVA018

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 120 Points	135%
2	≥ 115 but < 120	125%
3	≥ 110 but < 115	110%
4	≥ 100 but < 110	100%
5	≥ 95 but < 100	80%
6	≥ 90 but < 95	60%
7	≥ 75 but < 90	50%
8	≥ 55 but < 75	10%
Non Compliant	<55	0%
Enquiries		
Tel:		
086 111 4003		
Fax:		
086 505 7284		
verification@empowerlogic.co.za		
www.empowerlogic.co.za		

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. This certificate has been issued in accordance with the EmpowerLogic Verification Certificate Policy. EmpowerLogic uses the Law Trust advanced electronic signature system (AeSign) which is compliant with the Electronic Communications and Transactions Act no 25 of 2002. The validity of the certificate is ensured as long as the digital signature details corresponds with the Technical Signatory's details as displayed on the certificate.

Amended ICT - QSE BBBEE Profile

Broad Based Black Economic Empowerment Score
23.19 points - Non-Compliant



Level 1	≥ 100 points
Level 2	≥ 95
Level 3	≥ 90
Level 4	≥ 80
Level 5	≥ 75
Level 6	≥ 70
Level 7	≥ 55
Level 8	≥ 40
Non-Compliant	< 40

Priority Elements	
Net Value	N
Skills Development	N
Preferential Procurement	Y
Supplier Development	N
Enterprise Development	N

Amended ICT - QSE Scorecard

Objective	Indicator	Weight	Actual Value	Actual Base	Target	Result	Points
Broad Based Black Economic Empowerment Contribution		107.0					23.19
Objective : Ownership		25.00				14.06%	3.51
Equity Ownership	Exercisable Voting Rights by Black People	5.00	5.02%	100.00%	30.00%	16.75%	0.84
	Exercisable Voting Rights by Black Women	2.00	1.25%	100.00%	10.00%	12.49%	0.25
	Economic Interest to which Black People are entitled	5.00	5.02%	100.00%	30.00%	16.75%	0.84
	Economic Interest to which Black Women are entitled	2.00	1.25%	100.00%	10.00%	12.49%	0.25
	Involvement in the ownership by Black New Entrants or BDGs	3.00	0.00%	100.00%	2.00%	0.00%	-
	A - Net Value	8.00	5.02%	100.00%	30.00%	16.75%	1.34
	B - Economic Interest		5.02%	100.00%	30.00%	16.75%	
Objective : Management Control		15.00				22.22%	3.33
Objective: Board Participation and Other Executive Management		7.00				47.62%	3.33
Management Control	% Black Executive Management	5.00	1	3	50.00%	66.67%	3.33
	% Black Women Executive Management	2.00	-	3	25.00%	0.00%	-
Objective : Employment Equity		8.00				0.00%	-
Employment Equity	% Black Employees at non-executive management	6.00	-	1	60.00%	0.00%	-
	% Black female Employees at non-executive management	2.00	-	1	30.00%	0.00%	-
Objective : Skills Development		25.00				0.00%	-
Skills Development	Skills Development Expenditure on Black People as a % of Leivable Amount	15.00	-	5,380,450	3.00%	0.00%	-
	Skills Development Expenditure on Black Women as a % of Leivable Amount	7.00	-	5,380,450	1.00%	0.00%	-
	Skills Development on Black People with disabilities as a % of Leivable Amount	3.00	-	5,380,450	0.15%	0.00%	-
	Bonus Point: Number of Black People Absorbed	5.00	-	-	100%	0.00%	-
Objective: Enterprise and Supplier Development		30.00				54.49%	16.35
Objective : Preferential Procurement		20.00				81.73%	16.35
Preferential Procurement	Weighted BEE Procurement Expenditure - All Suppliers	15.00	13,645,064	17,865,253	60.00%	100.00%	15.00
	Weighted BEE Procurement Expenditure - Suppliers that are at least 51% Black Owned	5.00	721,188	17,865,253	15.00%	26.91%	1.35
	Bonus Points: Procurement Expenditure - Suppliers that are BO or BWO with Disabled Black Ownership more than 5%	1.00	-	17,865,253	1.00%	0.00%	-
Objective : Enterprise and Supplier Development		10.00				0.00%	-
Enterprise Development	Annual Value of all Supplier Development Contributions as a % of NPAT	5.00	-	12,090,198	2.00%	0.00%	-
	Annual Value of all Enterprise Development Contributions as a % of NPAT	5.00	-	12,090,198	2.00%	0.00%	-
	Bonus Point: Graduation	1.00	No	Yes	Yes	0.00%	-
	Bonus Points: Creating New Jobs up to 10% of the Workforce	1.00	No	Yes	Yes	0.00%	-
	Bonus Points: Creating New Jobs up to 11% of the Workforce	2.00	No	Yes	Yes	0.00%	-
Objective : Socio Economic Development		12.00				0.00%	-
Socio-Economic Development	Annual Value of all Socio-Economic Development Contributions as a % of NPAT	12.00	-	12,090,198	1.00%	0.00%	-