

ALTECH FAVOURABLE PAYMENT TERMS POLICY

In terms of Code 500 of the ICT Sector Broad-Based Black Economic Empowerment (BBBEE) Codes of Good Practice, Altech has decided to implement, at its own discretion, favourable payment terms for qualifying SMME's.

A SMME is defined as a Small, Medium or Micro Enterprise. Included in this definition are enterprises that are known as Qualifying Small Enterprises (QSE) or Exempt Micro Enterprises (EME) as defined in the BBBEE Generic Codes of Good Practice. This policy is primarily implemented to assist the development, sustainability and financial and operational independence of the following supplier categories:

- **Black owned enterprises**
An entity that is at least 50.1% owned by Black people.
- **Black empowered enterprises**
An entity that is at least 25.1% owned by Black People and has a verified scorecard of level 6 or above.
- **Black engendered enterprises**
An entity that is at least 30% owned by black women
- **All above enterprises that include black people with disabilities who have a minimum of 5% equity participation**

Enterprises meeting the criteria outlined above are eligible for favourable payment terms. Interested qualifying suppliers are to forward the following information to the relevant procurement person indicated on the website for assistance:

1. Valid BBBEE certificate
2. Details and proof of entity's annual turnover

Altech defines *Favourable Payment Terms* as settlement of outstanding invoices of the qualifying enterprises within ten days of the invoice date. These terms are consistent with the requirements of the ICT Sector Codes and the BBBEE Codes of Good Practice. Prior to final approval of the favourable payment terms being granted, all successful enterprises will be required to complete an Enterprise Development Agreement.

Black as defined in Section 1 of the Broad Based Black Economic Empowerment Act, 2003, is a generic term which means Africans, Coloureds and Indians. This definition is qualified in the Broad Based Black Economic Empowerment Codes of Good Practice, 2007 as including only natural persons who are citizens of the Republic of South Africa by birth or descent; or are citizens of the republic of South Africa by naturalisation:

- *Occurring before the commencement date of the Constitution of the Republic of South Africa Act of 1993; or*
- *Occurring after the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, without the Apartheid policy would have qualified for naturalization before then.*