

Ownership

Existing Mining Right Holders

An existing mining right holder who achieved a minimum of 26% - including a right holder whose BEE partner has since exited - is recognised as compliant for the duration of the right.



This recognition is not applicable upon renewal, and is not transferrable to a new owner in the case of a transfer or sale.

Beneficiation: An existing mining right holder claimed the 11 percentage points beneficiation offset prior to the commencement of the Mining Charter, 2018, shall retain the offset for the duration of the mining right.

Pending Applications

The Mining Charter, 2010 will apply to all pending applications lodged and accepted prior to the coming into effect of the Mining Charter 2018.

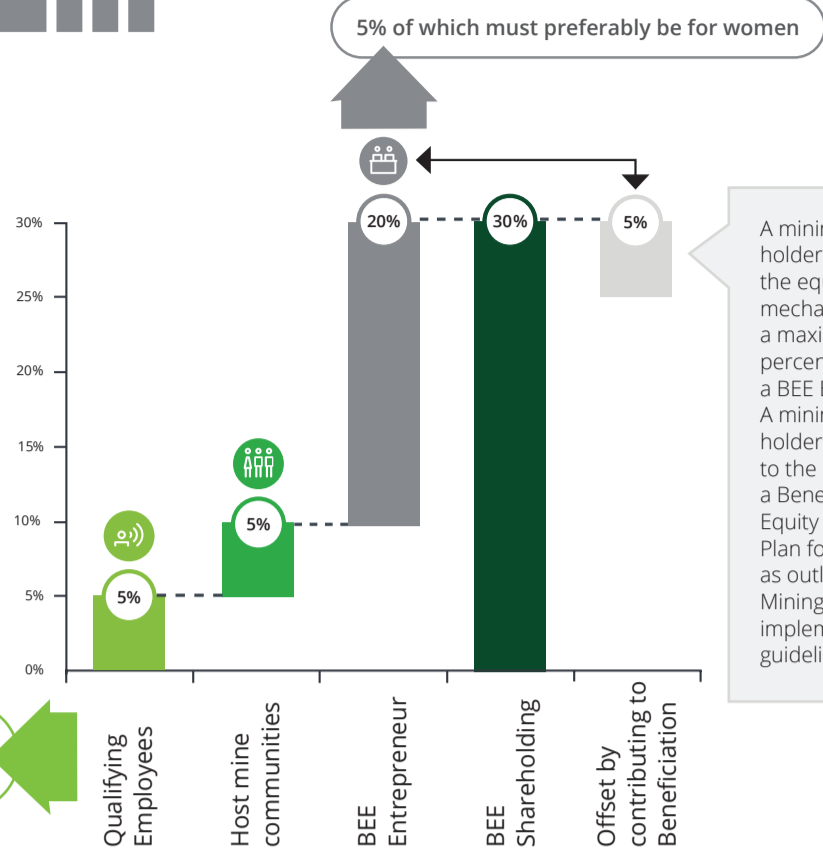


The right holder will be expected to increase their minimum BEE shareholding to 30% within 5 years from the effective date of such a mining right.

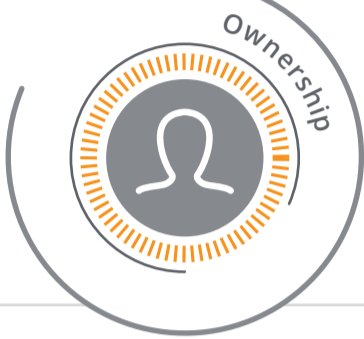
New Mining Rights

A new mining right must have a minimum of 30% BEE shareholding, which shall include economic interest plus corresponding percentage of voting rights per mining right or in the mining company which holds a mining right.

A minimum of 30% BEE shareholding must be distributed in the following manner:



A mining right holder may claim the equity equivalent mechanism against a maximum of 5 percentage points of a BEE Entrepreneur. A mining right holder must submit to the Department a Beneficiation Equity Equivalent Plan for approval, as outlined in the Mining Charter implementation guidelines.



Non-transferrable carried interest

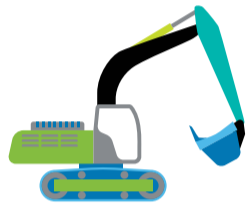


Ring fenced element which requires 100% compliance

Non-transferrable carried interest or a minimum 5% equity equivalent benefit

- Equity equivalent refers to 5% equivalent of the issued share capital, at no cost to a Trust or similar vehicle set up for the benefit of host communities

Inclusive Procurement, Supplier and Enterprise Development

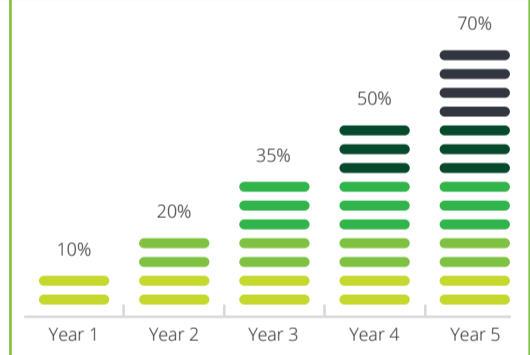


40%



Mining goods procurement

Measure	Transition period					Compliance Target	Weighting
	Year 1	Year 2	Year 3	Year 4	Year 5		
% of total mining goods procurement budget must be spent on South African manufactured goods produced by Historically Disadvantaged Persons owned and controlled company	3%	6%	10.5%	15%	21%	21%	5%
% of total mining goods procurement budget must be spent on South African manufactured goods produced by women owned and controlled company or youth owned and controlled company	0.71%	1.43%	2.50%	3.57%	5%	5%	5%
% of total mining goods procurement budget must be spent on South African manufactured goods produced by BEE compliant company	6.29%	12.57%	22%	31.43%	44%	44%	5%



30%

"Non-discretionary expenditure" means total procurement budget excluding procurement from rail, utilities (electricity, water, rates and taxes) and fuel.

Mine Community Development



Approved Social and Labour Plans (SLP) must be published in English and a dominant language(s) commonly used within the mine community



A Trust or similar vehicle which will oversee the implementation of the 5% equity equivalent detailed under the ownership element should have - at minimum - representation from host communities and mining companies. The Trust will:

- Identify community development needs
- Be responsible for developing a host community development programme, fund distribution, governance and organisation



Use of funds for administration costs, project management and consultation fees of the Trust or similar vehicle may not exceed 8% of the total budget. A development programme shall not substitute SLP commitments

Employment Equity



Increased targets



Introduction of career progression plans as a practice requirement



Inclusion of black females



Inclusion of disabled employees



Reflective of national or provincial demographics

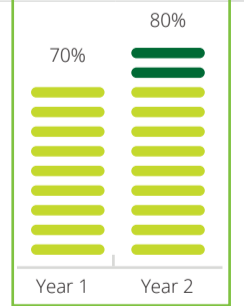


Board and executive management targets must include BEE shareholders

5-year transition period: A mining right holder must within a period of 6 months from the date of publication of the Mining Charter, 2018, submit a five-year plan indicating progressive implementation of the provisions of Employment Equity element targets.

Services procurement

Measure	Transition Period		Compliance Target	Weighting
	Year 1	Year 2		
% of total services budget must be spent on services supplied by Historically Disadvantaged Persons	43.75%	50%	50%	5%
% of total services budget must be spent on services supplied by women owned and controlled company	13.13%	15%	15%	5%
% of total services budget must be spent on services supplied by youth owned and controlled company	4.37%	5%	5%	5%
% of total services budget must be spent on services supplied by BEE compliant company	8.75%	10%	10%	5%



Human Resource Development



Invest 5%

of leviable amount (excl. the statutory skills development levy) on essential skills development activities such as:

Science



Artisans



Technology



Internship



Engineering



Bursaries



Mathematics



Beneficiation

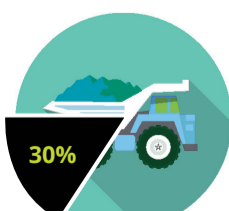


The skilling and research investment must be apportioned in line with national or provincial demographics

Enterprise and Supplier Development

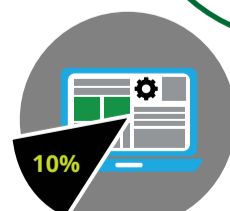
Mining goods

Up to 30% of the total procurement budget on mining goods (excluding non-discretionary expenditure) may be offset against supplier development.



Services

Up to 10% of the total procurement budget on services (excluding non-discretionary expenditure) may be offset against supplier and enterprise development.



Housing and Living Conditions

Decent and affordable housing



Home ownership



Social, physical and economically integrated human settlement



Proper healthcare services



Principles as set out in the Housing and Living Conditions Standards for the Mining and Minerals Industry developed in terms of section 100 of the MPRDA which includes:

The Housing and Living Conditions Standard shall be reviewed to provide clear targets and timelines for the implementation of the housing and living conditions principles.



The Mining Charter must be read together with the Implementation Guidelines to be gazetted within two months from the date of gazetting of the Mining Charter, 2018.

2018 Mining Charter III Scorecard

100%
Ring fenced element which requires 100% compliance

DTI levels	DMR scorecard	Ring Fenced Element + percentage weighting
Level 1	Ring fenced Element + 100%	Compliant
Level 2	Ring fenced Element + 80 - 100%	
Level 3	Ring fenced Element + 70 - 80%	
Level 4	Ring fenced Element + 60 - 70%	
Level 5	Ring fenced Element + 50 - 60%	
Level 6	Ring fenced Element + 40 - 50%	Non-compliant
Level 7	Ring fenced Element + 30 - 40%	
Level 8	Ring fenced Element + 20 - 30%	
Non-compliant	Ring fenced Element + <20%	
Non-compliant	Ring fenced Element not met + weighted element score	

Ownership

New Mining Rights

Element Description	Compliance Target (%)	Measure	Weight (%)
Minimum target for representation of Historically Disadvantaged Persons ownership.	30% BEE shareholding	A minimum of 5% non-transferable carried interest to qualifying employees from the effective date of a mining right. A minimum of 5% equity equivalent benefit defined herein or 5% carried interest to host communities from the effective date of a mining right. A minimum of 20% effective ownership in the form of shares to Historically Disadvantaged Persons, 5% of which must preferably be for woman.	Y/N
Beneficiation Equity Equivalent mechanism in lieu of BEE shareholding		A maximum of 5 percentage points of BEE shareholding.	
Meaningful and effective participation.		Net value Voting rights attaching to an equity instrument owned by or held for a participant measured using the Flow through principle or Control principle. Economic interest representing a return on ownership of the entity similar in nature to a dividend right, measured using the Flow Through Principle.	

Existing Mining Rights

Element Description	Compliance Target (%)	Measure	Weight (%)
Minimum target for representation of Historically Disadvantaged Persons.	26%	Meaningful economic participation Full shareholder rights	Y/N

Pending Applications¹

Element Description	Compliance Target (%)	Measure	Weight (%)
Minimum target for representation of Historically Disadvantaged Persons ownership.	26%	Net value Voting rights attaching to an equity instrument owned by or held for a participant measured using the Flow through principle or Control Principle. Economic interest representing a return on ownership of the entity similar in nature to a dividend right, measured using the Flow Through Principle or Control Principle.	Y/N

¹All pending applications will be required to top-up from 26% to 30% HDP ownership within the 5 year transitional period provided in terms of Clause 2.1.2.

Employment Equity

Element Description	Compliance Target (%)	Measure*	Weight (%)
Board	Historically Disadvantaged Persons	50%	2%
	Of which must be women	20%	2%
Executive Management	Historically Disadvantaged Persons	50%	4%
	Of which must be women	20%	3%
Senior Management	Historically Disadvantaged Persons	60%	3%
	Of which must be women	25%	3%
Middle Management	Historically Disadvantaged Persons	60%	2%
	Of which must be women	25%	2%
Junior Management	Historically Disadvantaged Persons	70%	2%
	Of which must be women	30%	2%
Employees with disabilities	Employees with disabilities as a percentage of all employees	1.5%	2%
Core and critical skills	Historically Disadvantaged Persons	60%	3%

*Proportionally represented in terms of provincial or national demographics

Human Resource Development

Element Description	Compliance Target (%)	Measure	Weight (%)
HRD expenditure as percentage of total annual leviable amount (excl. mandatory skills development levy)	5% leviable amount	Invest 5% of the leviable amount as defined in the HRD element in proportion to applicable demographics (employees and non-employees).	30%

Housing and Living Conditions

Element Description	Compliance Target (%)	Measure	Weight (%)
Improvement in the standard of housing and living conditions of mine employees.	100% compliant with Housing and Living Conditions Standard commitments.	Implement all Housing and Living Conditions commitments in the Standard.	Y/N

Mine Community Development

Element Description	Compliance Target (%)	Measure	Weight (%)
Meaningful contribution towards Mine Community Development with biasness towards mine communities both in terms of impact, in keeping with the principles of the social license to operate.	100% compliant with approved SLP commitments	Publish the SLP in 2 languages (Dominant one in the community and English) Implement all approved commitments in the SLP	Y/N

Inclusive Procurement, Supplier and Enterprise Development²

Element Description	Compliance Target (%)	Measure	Weight (%)
Total procurement budget spend on goods and services	Procure 70% locally manufactured mining goods with a 60% local content	21% of total mining goods procurement budget must be spent on South African manufactured goods produced by Historically Disadvantaged Persons owned and controlled company	5%
		5% of total mining goods procurement budget must be spent on South African manufactured goods produced by women owned and controlled company or youth owned and controlled company; and	5%
		44% of total mining goods procurement budget must be spent on South African manufactured goods produced by BEE compliant company	5%
80% Services		50% of total services budget must be spent on services supplied by Historically Disadvantaged Persons	5%
		15% of total services budget must be spent on services supplied by women owned and controlled companies	5%
		5% of total services budget must be spent on services supplied by the youth owned and controlled companies.	5%
		10% of total services budget must be spent on services supplied by a BEE compliant company	5%
Research and Development		A minimum of 70% of total research and development budget to be spent on South African based research and development entities	2,5%
Sample Analysis		Utilise South African based facilities or companies for the analysis of 100% of all mineral samples across the mining value chain.	2,5%

² See transitional arrangements for progressive targets to be met during the transitional period.

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Sources: Department of Mineral Resources, Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018; and the Media statement by the Minister of Mineral Resources, Mr Gwede Mantashe, on the occasion of the release of the Mining Charter, 2018