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DEPARTMENT OF MINERAL RESOURCES**NO. 1399****19 DECEMBER 2018****IMPLEMENTATION GUIDELINES FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE MINING AND MINERALS INDUSTRY, 2018 (herein referred as the Implementation guidelines for Mining Charter, 2018)**

I, Samson Gwede Mantashe, Minister of Mineral Resources, hereby publish the Implementation Guidelines for the Broad Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018.

The Implementation Guidelines for the Mining Charter, 2018 attached to this notice must be read with the Mining Charter, 2018, published under Gazette Notice No. 41934 and shall become effective on the date of publication of this notice.



Mr Samson Gwede Mantashe
Minister, Department of Mineral Resources

Date: 13/12/2018



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

**IMPLEMENTATION GUIDELINES FOR THE
BROAD-BASED BLACK SOCIO-ECONOMIC EMPOWERMENT CHARTER
FOR THE SOUTH AFRICAN MINING AND MINERALS INDUSTRY, 2018.**

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1. INTRODUCTION

The Mining Charter, 2018 derives from the Mineral and Petroleum Resources Development Act, 2002, (Act No. 28 of 2002) (MPRDA). The MPRDA's primary objective is to provide for transformation of the mining and minerals industry for the benefit of all South Africans. Section 100(2) (a) and (b) of the MPRDA mandates the Minister of Mineral Resources to develop the Mining Charter to ensure transformation within the mining and minerals industry.

The Mining Charter was gazetted on 27th September 2018 and requires the mining industry to implement the following elements: Ownership, Mineral Beneficiation, Procurement, supplier and enterprise development, Human Resources Development, Mine Community Development. Employment Equity, Principles for Housing and Living Conditions Standard, a regime for junior miners and licenses and permits granted in terms of the Precious Metals Act, 2005 and the Diamonds Act, 1986.

The requirements as enunciated in the above elements are aimed at promoting employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth, socio-economic development and competitiveness of the mining industry. To this effect the Department deemed it appropriate to provide clear guidelines for the provision of certainty on the spirit and letter of the Mining Charter, 2018.

2. PURPOSE OF THE IMPLEMENTATION GUIDELINES

The purpose of these guidelines is to outline processes, procedures, forms and templates to facilitate compliance with the requirements of the Mining Charter, 2018. The Mining Charter 2018 must be read together with these guidelines the Score Card and reporting templates by mining right holders in terms of the MPRDA as well as licenses and permit holders in terms of the Precious Metals Act, 2005 and the Diamonds Act 1986.

3. ABBREVIATIONS

ABBREVIATION	DESCRIPTION
ESOP	Employee Share Ownership Plan/Scheme.
HRD	Human Resources Development.
MPRDA	Mineral and Petroleum Resources Development Act.
Mining Charter, 2018	Broad Based Black Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018.
R&D	Research and Development.
SABS	South African Bureau of Standards.
Standard	Housing and Living Conditions Standard.
HDP	Historically Disadvantaged Persons.
BBBEE	Broad Based Black Economic Empowerment.

4. OWNERSHIP ELEMENT

4.1. Existing mining rights

An existing mining right holder shall annually (as outlined in the Mining Charter, 2010) report the following:

- (a) Current BEE percentage share with supporting documents in the form of share certificates, shareholders agreement, memorandum of incorporation, Board resolutions, minutes (Extracts signed off by Company Secretary), signed attendance registers, audited financial statements and exit agreements where the BEE shareholder has exited.
- (b) Maximum BEE target reached.
- (c) Meaningful economic participation and full shareholder rights refer to **Table (A)**.

Table (A)

CURRENT BEE PERCENTAGE SHARE¹	
MAXIMUM TARGET REACHED	
FINANCING METHOD	
INITIAL LOAN AMOUNT/AGREEMENT	
CURRENT LOAN AMOUNT	
DIVIDENDS DECLARED	
DIVIDEND PAID	
VOTING RIGHTS	
RECORD OF MEANINGFUL ECONOMIC PARTICIPATION	

¹ Including units of production.

4.2 Pending applications

A mining right holder must increase its BEE shareholding from the minimum 26% to 30% as contemplated in the Mining Charter, 2018 once off or progressively within the 5 years transitional period. The modalities for the once off or progressive increase shall be incorporated in the terms and conditions of the mining right granted pursuant to a pending application. A mining right holder shall use **Table A** to report annually on its compliance level within the 5 years transitional period. After the 5 years transitional period a mining right holder shall use the **Tables B, C, D and E** relating to new mining rights to annually report on its compliance level.

Qualifying employees through organised labour and host communities must co-sign the annual report on ownership compliance prior to submission to the Department.

4.3 New mining rights

4.3.1 ESOPS for Qualifying Employees.

A mining right holder shall use **Table B** to annually report its level of compliance with the requirements on carried interest for qualifying employees.

Table (B)

ATTACH	ESOP	
CONTRACT/AGREEMENT		
COPY OF TRUST DEED WITH AN UP TO DATE LIST OF BENEFICIARIES		
VALUE IN RANDB (5%)		
COST RECOVERY MECHANISM (PROVIDE DETAILS)		
DIVIDENDS DECLARED		

DIVIDEND PAID TO QUALIFYING EMPLOYEES								
QUALIFYING EMPLOYEE DETAILS								
TOTAL NUMBER AND NAMES OF QUALIFYING EMPLOYEES	GENDER		RACE				NATIONALITY	
	MALE	FEMALE	A	W	I	C	RSA	OTHER (Specify)

4.3.2 Trust or any other appropriate vehicle for Host Communities.

As part of the annual reporting requirements for carried interest for host communities or the equity equivalent benefit, a mining right holder must submit the following documents to the Department and use **Table C**;

- (a) Copy of the Host community Trust Deed/other appropriate vehicle founding document;
- (b) Host Community Development Programme;
- (c) Implementation and Progress Report
- (d) A Consultation Report with host communities and related parties.

Table (C)

TYPE OF BENEFIT (SHARES OR EQUITY EQUIVALENT)	
VALUE IN RANDS (5%)	
COST RECOVERY MECHANISM (provide details)	
DIVIDENDS DECLARED	
DIVIDEND PAID TO HOST COMMUNITY TRUST OR APPROPRIATE VEHICLE	
BENEFITING HOST COMMUNITY(IES)	
APPROVED PROJECT DESCRIPTION	
DURATION (PROJECT START DATE & END DATE)	
WORK DONE TO DATE AGAINST PLANNED PROJECTS (Attach supporting documents)	
TOTAL BUDGET AMOUNT FOR THE YEAR	
TOTAL AMOUNT SPENT FOR THE YEAR	
CAPPED PROJECT MANAGEMENT & CONSULTANCY FEES	

4.3.3 BEE Entrepreneur shareholding

A mining right holder shall account for its level of compliance with the minimum BEE entrepreneur shareholding requirements and report annually in terms of section 28 of the MPRDA, and the Mining Charter, 2018 read with the Score Card.

A mining right holder shall provide originally certified copies of supporting documents in the form of:

- (a) Share certificates:
- (b) Identity document:
- (c) Shareholders agreement:
- (d) Board resolutions, minutes, signed attendance registers and audited financial statements;
- (e) Memorandum of incorporation; and
- (f) Exit agreements where the BEE shareholder has exited.

To comply with the broad based and meaningful participation requirement of the Mining Charter, 2018, a mining right holder shall use **Table D** to annually report on its level of compliance.

Table (D)

PERCENTAGE SHAREHOLDING	
PERCENTAGE OF WOMEN PARTICIPATION (5%)	
VALUE OF SHARES IN RANDS (20%)	
COPY OF LOAN AGREEMENT	
INITIAL LOAN AMOUNT	
LOAN REPAYMENT TERM	

DIVIDENDS DECLARED	
DIVIDEND PAID	
CURRENT LOAN AMOUNT	
VOTING RIGHTS	
RECORD OF MEANINGFUL ECONOMIC PARTICIPATION	
FOR THE EQUITY EQUIVALENT OPTION PROVIDE AN INDEPENDANT VALUATION REPORT	
QUALIFYING EMPLOYEES, COMMUNITIES AND ORGANISED LABOUR CO-SIGN ANNUAL REPORT	

4.3.4 Disposal of BEE shareholding

A mining right holder shall report on disposal of shares and exit by BEE shareholders by using *Table E*.

Table (E)

COMPLIANCE WITH MINING CHARTER REQUIREMENTS	PERIOD WHICH SHARES HELD	FOR BEE WERE	DURATION OF THE MINING RIGHT	NET VALUE REALISED	EXIT AGREEMENT

4.4 MINERAL BENEFICIATION (Equity Equivalent).

The maximum 5% offsetting contemplated in the Mining Charter, 2018 shall be implemented considering the provisions below.

4.4.1 Beneficiation Equity Equivalent Plan

The mining right holder's equity equivalent plan must contain the following information:

- (a) Business name
- (b) Business address
- (c) Executive Summary of the programme
- (d) Total value of company
- (e) Valuation of the entity conducted by an independent third party and signed off by the right holder. This must be done every five years to ensure the value of the equity equivalent offset is still correct.
- (f) How the 5% equity equivalent will be spread over the duration of the right with time adjusted values.

4.4.2 Approval of the Plan

A mining right holder shall submit the Plan for approval by the Minister. The Minister shall consider and approve the Plan within 60 days from the date of submission.

4.4.3 Qualification Criteria

- (a) A mining right holder can choose any of the activities specified in the Mining Charter, 2018.
- (b) The right holder must demonstrate that the planned equity equivalent activity/ies have long term viability
- (c) The right holder must demonstrate that the combined monetary value of the activities undertaken for equity equivalence is equal to the percentage equity they are offsetting against.
- (d) Activities against which beneficiation equity equivalent may be claimed can be undertaken over the duration of a mining right.

- (e) The right holder can claim equity equivalence as long as the beneficiation projects being supported are existent

4.4.4 Example of Calculation of Equity Equivalent

- (a) If the ownership equity of a mining right holder's company or asset is valued at R 100000, the mining right holder will be eligible to claim maximum beneficiation equity equivalent credits equal to R 5,000.
- (b) Contribution to the total beneficiation equity equivalent credits is calculated using the formula below:

$$A = B + C \dots\dots\dots \text{formula i)}$$

Where A is the total monetary value of the beneficiation equity equivalent
 B is the monetary value of activities undertaken before the commencement of the Mining Charter, 2018.
 C is the monetary value of all planned activities against beneficiation equity equivalent credits. Contribution of the monetary value of these activities will not be capped.

- (c) **Table F** contains an example of a list of activities against which a mining right holder may claim ownership.
- (d) Activity no.1: a mining right holder has invested in beneficiation plants before commencement of the Mining Charter, 2018 whose time adjusted value is R 400. Using the formula i), contribution of this investment to **B** is R 400.
- (e) Activity no. 2: a mining right holder plans to beneficiate ore worth R 100 per year over a ten year period. The total contribution of this activity to **C** will therefore be R 1000.
- (f) Activity 3: a mining right holder plans to sell some of its mineral ore or mineral products to independent Historically Disadvantaged Persons owned beneficiation entities at a discount to mine gate price. The discount amounts to R360 per year and plans to sell at the same time-adjusted total discount over a ten year period. This sums up to R 3600 which is the contribution of this activity to **C**.

Table (F): Monetary value of activities against which beneficiation equity equivalent is claimed:

Activity No.	Beneficiation Activities	Initial Investment	Over 10 years
1	Beneficiation plants worth (pre-Mining Charter 2018)	R 400	N/A
	B	R 400	N/A
2	Portion of a mining right holder's production, that the mining right holder beneficiates as part of its operating activities.	R100/ year	R1000
3	Supplies mineral ore to Historically Disadvantaged Persons owned beneficiation entities at a discount to the mine gate price.	R360/year	R3,600
	C (i.e. R1000 + R3,600)		R4,600
	A = B + C (i.e. R400 + 4,600)	R 5,000	

4.4.5 Beneficiation Equity Equivalent Reporting Template

A mining right holder who claim the beneficiation equity equivalence, must submit information of their compliance to the department using **Table G**.

Table (G)

Equity Equivalent Project or Activity	Budgeted Amount for the year	Actual amount spent

5 PROCUREMENT, SUPPLIER AND ENTERPRISE DEVELOPMENT.

This section is intended to give the right holder detailed explanation of how to comply with the procurement requirements stipulated in the procurement element of the 2018 Mining Charter. This is to ensure that the activities undertaken by the mining right holder are in line with the intent of the DMR. To this end, this section contains explanations then followed by a detailed example of how the weighted scores for key sub-elements will be calculated. Also included in this section of the guidelines will be a set of reporting templates that the right holder must populate and submit to the DMR.

5.1 Sub – Sections

This section of the guidelines consists of the following subsections:

- i. Calculation of local content
- ii. Exclusions
- iii. Local Content Verification
- iv. Mining Goods
- v. Services
- vi. Contractors and Inclusive Procurement
- vii. Enterprise and Supplier Development
- viii. Supplier Development through Original Equipment Manufacturers
- ix. Research and Development
- x. Processing of Samples
- xi. Procurement Reporting Templates
- xii. Example for calculating points achieved for the Inclusive Procurement Element

5.2 Calculation of local content

5.2.1 Percentage local value add for a mining goods (i.e. capital good, component or consumable) will be calculated using the formula below

$$A = \frac{(B-C)}{B} \times 100\% \quad \dots \text{formula 1)}$$

Where, for the purposes of formula 1:

A is the percentage local value add

B is the sales price of the capital good, component or consumable in Rands **(excluding profit mark-up, intangible value such as brand value and indirect overheads)**.

C is the value of the imported inputs/components used in the assembly or manufacturing of the capital good, component or consumable

5.2.2 The Rand value of sales price of the capital good, component or consumable (T) will exclude:

5.2.2.1 Profit Mark-up

5.2.2.2 Intangible value such as brand value and;

5.2.2.3 Indirect Overheads

5.2.3 Overhead costs that are a major cost driver for producing the mining good **such as electricity in a foundry can be included in the calculation of the sales price as they are direct overhead costs. These costs must be apportioned accordingly per product produced.**

5.2.4 Mining goods whose percentage local value add is 60% or greater will be considered South African manufactured goods.

5.2.5 Mining goods whose percentage local value add is below 60%, the mining goods will be deemed not to be manufactured locally and thus the right holder will be unable to claim any points under this sub-element.

5.3 Exclusions

5.3.1 All calculations for compliance with the targets of the procurement element shall exclude non-discretionary spend which includes include spend on buildings, roads, utilities (electricity and water) land rates and fuel.

5.4 Local Content Verification

5.4.1 Local content verification shall be carried out by the South African Bureau of Standards

5.4.2 Either the mining right holder or the supplier will pay for the cost of verification

5.4.3 Where a mining right holder pays for the verification of a supplier it is developing, the cost of verification can be interpreted to be part of the supplier development costs

5.4.4 During the first two years of the transitional period, verification certificates from SABS will not be required.

5.5 Mining Goods

5.5.1 A minimum of 70% of the total spend on mining goods must be sourced from South African based companies. The above mentioned 70% of the total mining goods procurement spend shall be apportioned in the following manner:

Budget Categories for Mining Goods

- 5.5.2 50% + 1 Historically Disadvantaged Persons (HDP) owned and controlled companies (21%)
- 5.5.3 50% + 1 women owned and controlled companies and/or 50% + 1 youth owned and controlled companies (5%)
- 5.5.4 BBBEE compliant companies with a minimum of 25% + 1 HDP ownership and at level 4 of the BBBEE codes (44%)
- 5.5.5 For the purposes of facilitating development and growth of youth owned suppliers, right holders will be allowed to claim points for procuring from youth owned entities for the duration of the procurement contract.
- 5.5.6 The percentage procurement for each budget (spend) category will be calculated using the formula below:

$$A = \frac{B}{C} \times 100\% \quad \dots \text{formula 2)}$$

Where, for the purposes of formula 2:

A is the percentage of the total mining goods procurement spend that is spent on a budget category

B is the amount spent, in Rands (ZAR), procuring goods from a budget category

C is the total procurement budget for mining goods.

5.5.7 The weighted score for each of the budget categories of the procurement element will be determined using the formula below:

$$\frac{A}{B} \times C \dots \text{formula 3)}$$

Where, for the purposes of formula 3:

A is the percentage of the total mining goods procurement budget that is spent on a budget category.

B is the minimum percentage that must be procured from a budget category.

C is the maximum percentage weighting for a budget category in the score card.

- 5.5.8 Where targets have been exceeded for a budget category, the maximum percentage weighting will be given as the weighted score. There will be no bonus points for exceeding the target.

5.6 Services

- 5.6.1 Where services are procured by the mining right holder, the procurement will be allocated to one of the three budget categories identified in the services sub-element. These budget categories are:

Budget Categories for Services

- 5.6.2 50% + 1 Historically Disadvantaged Persons owned and controlled companies (50%)
- 5.6.3 50% + 1 women owned and controlled companies (15%)
- 5.6.4 50% + 1 youth owned and controlled companies (5%)
- 5.6.5 BBBEE compliant companies with a minimum of 25% + 1 HDP ownership and level 4 (10%)
- 5.6.6 For the purposes of facilitating development and growth of youth owned suppliers, right holders will be allowed to claim points for procuring from youth owned entities for the duration of the procurement contract.
- 5.6.7 The percentage procurement for each budget category will be calculated using the formula below:

$$A = \frac{B}{C} \times 100\% \quad \dots \text{formula 2}$$

Where, for formula 2:

A is the percentage of the services procurement spend that is spent on a budget category

B is the amount spent, in Rands (ZAR), procuring services from a budget category

C is the total procurement budget for services

5.6.8 The weighted score for each of the budget categories of the procurement element will be determined using the formula below:

$$\frac{A}{B} \times C \dots \text{formula 3)}$$

Where, for formula 3:

A is the percentage of the total services procurement budget that is spent on a budget category.

B is the minimum percentage that must be procured from a budget category.

C is the maximum percentage weighting for a budget category in the score card.

5.6.9 Where targets have been exceeded for a budget category, the maximum percentage weighting will be given as the weighted score. There will be no bonus points for exceeding the target.

5.7 Contractors and inclusive procurement

5.7.1 Where a mining right holder uses a contractor to undertake extraction and/or processing (crushing and concentration) of minerals on their behalf, any mining goods and services used by the contractor will be deemed to have been used by the right holder.

5.7.2 The mining right holder will therefore be expected to report on the procurement element using procurement spend data from their contractor

5.8 Enterprise and supplier development

- 5.8.1 Where a mining right holder does supplier development, it will be allowed to offset the amount spent to offset some of their obligation under the procurement element
- 5.8.2 Right holders will be able to offset up to:
- 5.8.2.1 30% of their procurement obligation for mining goods.
- 5.8.2.2 10% of their procurement obligation for services.
- 5.8.3 The criteria to recognise supplier and enterprise development initiatives
- 5.8.3.1 Supplier and Enterprise Development can only be done for 50% + 1 vote or more Historically Disadvantaged Persons owned and controlled companies;
- 5.8.3.2 These 50% + 1 vote or more Historically Disadvantaged Persons owned and controlled companies must have a turnover of less than R50 million per annum;
- 5.8.4 Money spend on Supplier Development may not be claimed as money spend on Enterprise Development (i.e. If a right holder spends R 100 on supplier development, that R 100 cannot be again claimed as enterprise development);
- 5.8.5 Activities undertaken under enterprise development and supplier development must be quantifiable in a monetary value;
- 5.8.6 There must be a formal written agreement between the right holder and the recipient of Supplier or Enterprise Development;
- 5.8.7 The contract between the right holder and the supplier must be a minimum of 5 years.
- 5.8.8 The right holder cannot use the same enterprise or supplier development spend to offset against procurement obligations for mining goods and services.

5.9 Supplier Development through Original Equipment Manufacturers

- 5.9.1 The right holder is allowed to do supplier development through its Original Equipment Manufacturer (OEM) suppliers.
- 5.9.2 Supplier development done through OEMs will only be recognised if it is done on Historically Disadvantaged Persons owned and controlled companies, women owned and controlled companies, youth owned and controlled

- companies or BBBEE compliant companies with a minimum of 25% + 1 Black ownership and at level 4 of the BBBEE codes.
- 5.9.3 The right holder will be allowed to do supplier development through Original Equipment Manufacturers (OEM) in the following manner:
- 5.9.3.1 The right holder and OEM will identify imported components² to be locally manufactured.
- 5.9.3.2 The components identified can be those already used in mining goods supplied by the OEM to the right holder or to be used in a mining good to be supplied to the right holder within five years
- 5.9.3.3 The right holder can then claim offset points for (quantifiable investments) monies invested by them in the supplier development programme
- 5.9.4 Where an OEM is doing supplier development as part of its equity equivalent programme, the right holder cannot claim the amount spent on that particular supplier development project as supplier development points for the Charter.

5.10 Research and Development.

- 5.10.1 A mining right holder shall account and report annually on its R&D expenditure on South African based research and development entities (public or private) as required by the Mining Charter, 2018

5.11 Processing of samples

- 5.11.1 Where a mining right holder needs to use foreign based facilities or companies, the mining right holder must obtain the prior written consent of the Minister.
- 5.11.2 This request to use foreign based facilities or companies must contain the following information:
- 5.11.2.1 Name of right holder and associated right number from where the samples originate
- 5.11.2.2 The type of analysis to be done on the samples

² Component also refers to compounds in chemical formulations

- 5.11.2.3 Proof that the three largest mineral sampling laboratories in the country, all mineral related science councils and academic institutions are incapable of carrying out the type of analysis
- 5.11.2.4 The country and institution where the analysis will be undertaken
- 5.11.2.5 The amount paid for the analysis
- 5.11.2.6 The amount of material to be sent out for analysis
- 5.11.2.7 The number of times samples will be exported
- 5.11.3 The Minister shall acknowledge receipt of the application within 14 days and grant such consent if the mining right holder has(add wording);
- 5.11.4 The Minister (must make a decision within 30 days) may grant the prior written consent within 30 days from the date of submission of the application.
- 5.11.5 The written consent will be valid for a period of 12 calendar months.

5.12 Inclusive Procurement Reporting Templates

This subsection contains reporting templates that mining right holders will use *Tables H, I, J, K, L and M* to submit inclusive procurement compliance information to the Department.

Table (H): Mining Goods procurement reporting template

Company	Ownership(columns for classification and percentages)		BBBEE Level	Standardised Product ID ³	Goods Procured ⁴	Amount Spent (R)	Contract Duration	
	HDP ⁵	Women Youth					Start Date	End Date

³ Recording of standardised product ID to be applicable once the standardised product identification coding system is developed

⁴ If multiple goods are procured from a single entity, the right holder must record the different items in different rows (e.g. if a right holder procures grease and bolts from the same company, then these products need to be recorded in two rows instead of a single row)

⁵ Historically Disadvantaged Persons

Table (I): Services procurement reporting template

Company	Ownership			BBBEE Level	Services Procured ⁶	Amount Spent (R)	Contract Duration	
	HDP	Women	Youth				Start Date	End Date

⁶ If multiple goods are procured from a single entity, the right holder must record the different items in different rows (e.g. if a right holder procures accounting and security services from the same company, then these services need to be recorded in two rows instead of a single row)

Table (J): Enterprise and Supplier development reporting template

Company	Ownership			BBBEE Level	Development Type ⁷	Development Activity ⁸	Amount Spent on Development Activity (R)	Development Duration	
	HDP	Women	Youth					Start Date	End Date

⁷ Under Development type right holder to capture whether it is supplier development or enterprise development

⁸ Different development activities are undertaken for the same entity they must be recorded in different rows (e.g. if a right holder undertakes bookkeeping and quality control as development activities for one company these must be captured in different rows)

Table (K): Supplier development through Original Equipment Manufacturers reporting template

Company	Ownership			BBBEE Level	Standardised Product ID ⁹	Good to be supplied	Development Activity ¹⁰	Amount Spent on Development Activity (R)	Development Duration	
	HDP	Women	Youth						Start Date	End Date

⁹ Recording of standardised product ID to be applicable once the standardised product identification coding system is developed

¹⁰ Different development activities are undertaken for the same entity they must be recorded in different rows (e.g. if a right holder undertakes bookkeeping and quality control as development activities for one company these must be captured in different rows)

Table (L): Research and Development reporting template

Entity	Research and Development Undertaken ¹¹	Amount Spent (R)
Total Research and Development Spent¹² (R)		

Table (M): Sample processed in South African or foreign based facilities/companies reporting template

Entity	Location of Entity	Analysis undertaken ¹³	Amount Spent (R)

¹¹ If more than R&D activity is carried out by a single entity, these need to be recorded in different rows

¹² This is the total amount spent for the year on research by the mining right holder which includes R&D undertaken outside South Africa

¹³ If a right holder employs one entity to undertake more than one type of sample analysis then these need to be recorded in different rows

5.13 Example for calculating points achieved for the Inclusive Procurement Element

5.13.1 Mining Goods sub-element

For a mining goods procurement budget of R 100 million, the portion of the budget that has to be spent on South African manufactured goods is 70% of the budget which is R 70 million (i.e. 70% x R 100million = R 70 million).

For each of the budget category the target amounts that have to be spent on each budget category are:

- 21% of the R 100million has to be procured from Historically Disadvantaged Persons owned and controlled entities which will be R 21million (i.e. 21% x R 100 million = R 21million).
- 5% of the R 100million has to be procured from women owned entities and/or youth owned entities which will be R 5million (i.e. 5% x R100 million = R 5million).
- 44% of the R 100million has to be procured from BBBEE compliant companies with a minimum of 26% (25%+1) HDP ownership and level 4 which will be R 44million (i.e. 44% x R 100million = R 44million).

At the end of each calendar year, the amount spent in each budget category will be determined and used to determine the score for each budget category.

To determine the scores for each budget category formula 2 is used in the following manner:

- For Historically Disadvantaged Persons owned and controlled entities, if R 5million is spent by the end of the calendar year:

$$A = \frac{R\ 5million}{(R100\ million)} \times 100\% = 5\%$$

- For this budget category the compliance target is 21% of the total mining goods procurement and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{5\%}{21\%} \times 5\% = 1.19\%$, which means the pro-rated weighted score of the budget category in this example will be **1.19%**.
- For women owned and controlled and/or youth owned and controlled entities, if R 10million is spent by the end of the calendar year:

$$A = \frac{R\ 10\text{million}}{(R100\ \text{million})} \times 100\% = 10\%$$

- For this budget category, the compliance target is 5% and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{10\%}{5\%} \times 5\% = 10\%$, which means that the right holder spent is higher than the target budget spend amount of R 5million. The weighted score will however not be 10% as it is above the maximum allocated weighting percentage of 5% therefore the weighted score captured will be **5%**.
- For BBBEE compliant companies with a minimum of (25%+1 HDP) 26% Black ownership and level 4, if R 10million is spent by the end of the calendar year:

$$A = \frac{R\ 10\text{million}}{(R100\ \text{million})} \times 100\% = 10\%$$

- For this budget category, the compliance target is 44% and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{10\%}{44\%} \times 5\% = 1.14\%$, which means the pro-rated weighted score of the budget category in this example will be **1.14%**.

Table (N): Mining Goods Scorecard

Element	Measure	Compliance Target	Weighting	Weighted Score
A minimum of 70% of the total mining goods procurement spend must be spent on South African manufactured goods must be sourced from a BEE compliant manufacturing companies. Calculation of goods and services spend does not include spend on utilities (electricity and water), fuels, lubricants and land rates	Percentage of the total mining goods procurement spend on South African Manufactured goods from 50% + 1 vote Historically Disadvantaged Persons owned and controlled companies.	21%	5%	1.19%
	Percentage of the total goods procurement spend on South African manufactured goods from companies with a minimum of 50 % +1 vote women owned and controlled and /or 50% + 1 vote youth ownership;	5%	5%	5%
	Percentage of the total goods procurement spend on South African manufactured goods from companies that are at least at level 4 BEE +25%+1 HDP ownership	44%	5%	1.14%

5.13.2 Example for calculating points achieved for the Services sub-element

For a services procurement budget of R 100 million, the portion of the budget that has to be spent on services from South African based companies is 80% of the budget which is R 80 million (i.e. 80% x R 100million = R 80 million)

For each of the budget category the target amounts that have to be spent on each budget category are:

- 50% of the R 100million has to be procured from Historically Disadvantaged Persons owned and controlled entities which will be R 50million (i.e. 50% x R 100 million = R 50million).

- 15% of the R 100million has to be procured from black women owned entities which will be R 15million (i.e. 15% x R100 million = R 15million)
- 5% of the R 100million has to be procured from youth owned entities which will be R 5million (i.e. 5% x R100 million = R 5million).
- 10% of the R 100million has to be procured from BBBEE compliant companies with a minimum of 25% +1 HDP ownership and level 4 which will be R 10million (i.e. 10% x R 100million = R 10million).
- At the end of **each calendar year**, the amount spent in each budget category will be determined and used to determine the score for each budget category.

To determine the scores for each budget category formula 2 is used in the following manner:

- For Historically Disadvantaged Persons owned and controlled entities, if R 5million is spent by the end of the **calendar year**:

$$A = \frac{R\ 5million}{(R100\ million)} \times 100\% = 5\%$$

- For this budget category, the compliance target is 50% and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{5\%}{50\%} \times 5\% = 0.5\%$, which means the pro-rated weighted score of the budget category in this example will be 0.5%.
- For women owned and controlled entities, if R 5million is spent by the end of the **calendar year**:

$$A = \frac{R\ 5million}{(R100\ million)} \times 100\% = 5\%$$

- For this budget category, the compliance target is 15% and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{10\%}{15\%} \times 5\% = 3.33\%$, which means the pro-rated weighted score of the budget category in this example will be 3.33%.

- For youth owned and controlled entities, if R 5million is spent by the end of the **calendar year**:

$$A = \frac{R\ 5million}{(R100\ million)} \times 100\% = 5\%$$

For this budget category, the compliance target is 5% and the maximum percentage weighting is 5% which gives a percentage weighting of $\frac{5\%}{5\%} \times 5\% = 5\%$, which means that the weighted score is 5%.

- For BBBEE compliant companies with a minimum of 26% Black ownership and level 4, if R 10million is spent by the end of the **calendar year**:

$$A = \frac{R\ 10million}{(R100\ million)} \times 100\% = 10\%$$

- For this budget category, the compliance target is **10%** and the maximum percentage weighting for the budget category in the score card which is **5%** which gives a percentage weighting of $\frac{10\%}{10\%} \times 5\% = 5\%$, which means the weighted score of the budget category in this example will be 5%.

Table (O): Services Scorecard

Element	Measure	Compliance Target	Weighting	Weighted Score
A minimum of 80% of the total spend on services must be sourced from South African based companies.	Percentage of the total services procurement spend on South African based companies that are 50% + 1 vote HDP owned and controlled companies.	65%	5%	0.5%
	Percentage of the total services procurement spend on South African based companies with a minimum of 50 % +1 vote Black women owned and controlled	15%	5%	3.33%
	Percentage of the total services procurement spend on South African based companies with a minimum of 50% + 1 vote youth ownership;	5%	5%	5%
	Percentage of the of the total services procurement spend on South African based companies that are at least at level 4 BEE +25%+1 HDP ownership	10%	5%	5%

5.4.1 Example how the Enterprise and Supplier Development sub-element can be used to augment Procurement scores for Mining Goods and Services

If a right holder has spent R 10 million on supplier development and R 5million on enterprise development then it can claim points in the following manner:

- Using budget amounts used in the examples for total mining goods and total services where they were R100 million each.
- For mining goods, the right holder will be able to use the full R 10 million spent on supplier development because it is below R30 million offset limit (i.e. 30% x R100 million). In this case, if the right holder opts to augment their score for procurement spend on 50% +1 (HDP)black owned companies, the R 5 million spent on 50% + 1 black owned companies will

therefore be augmented by R 10 million spent on supplier development thus the weighted score will be:

$$A = \frac{(R\ 5\text{million} + R10\text{million})}{R100\text{million}} \times 100\% = 15\%$$

- For this budget category, the compliance target is 21% and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{15\%}{21\%} \times 5\% = 3.57\%$, which means the pro-rated weighted score of the budget category in this example will increase to 3.57% from 1.19%.
- For services, the right holder will be able to use the R 5 million spent on enterprise development. These monies will then be used to make up for the shortfall in procurement of services from companies that are 50% + 1 vote Historically Disadvantaged Persons owned and controlled where only R 5 million was spent. The R 5 million will therefore be augmented by the R5 million spent on supplier development thus the services calculation for procurement spend on 50% + 1 vote Historically Disadvantaged Persons owned and controlled will be amended to be:

$$A = \frac{(R\ 5\text{million} + R5\text{million})}{R100\text{million}} \times 100\% = 10\%$$

- For this budget category, the compliance target is 50% and the maximum percentage weighting for the budget category in the score card which is 5% which gives a percentage weighting of $\frac{10\%}{50\%} \times 5\% = 1\%$, which means the pro-rated weighted score of the budget category in this example will increase from 0.5% to 1%.

Table (P): Mining Goods and Services weighted scores adjusted by Enterprise and Supplier Development

Element	Measure	Compliance Target	Weighting	Weighted Score
A minimum of 70% of the total mining goods procurement spend must be spent on South African manufactured goods must be sourced from a BEE compliant manufacturing companies. Calculation of goods and services spend does not include spend on utilities (electricity and water), fuels, lubricants and land rates.	Percentage of the total mining goods procurement spend on South African Manufactured goods from 50% + 1 vote Historically Disadvantaged Persons owned and controlled companies.	21%	5%	3.57%
	Percentage of the total goods procurement spend on South African manufactured goods from companies with a minimum of 50 % +1 vote women owned and controlled and /or 50% + 1 vote youth ownership;	5%	5%	1%
	Percentage of the total goods procurement spend on South African manufactured goods from companies that are at least at level 4 BEE +26% ownership	44%	5%	1.14%
A minimum of 80% of the total spend on services must be sourced from South African based companies.	Percentage of the total services procurement spend on South African based companies that are 50% + 1 vote Historically Disadvantaged Persons owned and controlled companies.	65%	5%	1.5%
	Percentage of the total services procurement spend on South African based companies with a minimum of 50 % +1 vote Black women owned and controlled	15%	5%	0.67%
	Percentage of the total services procurement spend on South African based companies with a minimum of 50% + 1 vote youth ownership;	5%	5%	2%
	Percentage of the of the total services procurement spend on South African based companies that are at least at level 4 BEE +25%+1 HDP ownership	10%	5%	2%

6. HUMAN RESOURCES DEVELOPMENT.

To implement the 5% investment on essential skills development activities, graduate training programmes and research and development initiatives a mining right holder must use the templates in **Table Q** employees, **Table R** non-employees to outline the following:

- (a) The quantum of contribution, the nature of skills development programme, graduate training programmes and research and development initiatives conducted and the tenure of such programme;
- (b) Provide a verifiable list of beneficiaries and categorisation of such beneficiaries (whether it's mine employees or community members, levels of employment, name, race, gender and demography);
- (c) Where provincial demographics materially outweigh national demographics in respect of a mining right, a right holder should use provincial demographics; and
- (d) A mining right holder must include a table showing calculation of the leviable amount.

6.1 Table (Q): Human Resource Development reporting template (Employees)

NAME OF BENEFICIARY	ID NO/PORT	RACE	GENDER	LEVEL OF EMPLOYMENT	TYPE OF PROGRAM	DURATION OF PROGRAM	COMMENCEMENT DATE	INSTITUTION	ACTUAL EXPENDITURE (R)	EXPECTED OUTCOME
TOTAL ACTUAL EXPENDITURE (R)										

6.2 Table (R): Human Resource Development reporting template (Non-Employees)

NAME OF BENEFICIARY	ID NO	RACE	GENDER	CONTACT DETAILS (CELLPHONE, PHYSICAL & POSTAL ADR)	TYPE OF PROGRAM	DURATION OF PROGRAM	COMMENCEMENT DATE	INSTITUTION	ACTUAL EXPENDITURE (R)	EXPECTED OUTCOME
TOTAL ACTUAL EXPENDITURE (R)										

7. MINE COMMUNITY DEVELOPMENT

A mining right holder must implement 100% of Mine Community Development commitments as per approved Social and Labour Plan (SLP). An approved SLP shall be subject to five years periodic review.

A mining right holder must use the template in **Table S** to account for the extent of compliance with SLP commitments by providing full description of approved SLP projects, duration of such projects, percentage of work done to date, project review timeline, the total budgeted amount and reflect the capped project management and consultancy fees. A mining right holder shall further provide project execution details including the identification of communities developed, actual amount spent, details of project managers and consultants and provide annual reports to the Department.

7.1 Publication: The Mining Charter, 2018 requires a mining right holder to publish the approved SLP in English and a dominant language(s) commonly used within the mine community. The responsibility to publish this information as outlined herein rests with the mining right holder.

A consulted and approved SLP must be published within 30 days of approval using the following avenues:

- (a) Company website/s, local newspaper/s;
- (b) Hard copies of the approved SLP to be placed in local libraries, municipal offices, traditional authority offices, company/mine offices; and
- (c) Announcements may be made, where feasible, in local radio stations and relevant news outlets about the availability and content of the approved SLP.

7.2 Collaboration: collaboration on approved SLP projects must be transparent, inclusive and based on consultation with all stakeholders. Amendment of an approved SLP pursuant to the collaboration shall be done in terms of Regulation 44 of the MPRDA.

7.3 Review of SLP: a mining right holder shall review the approved SLP every five years for the duration of a mining right. The review process may be initiated from the fourth year of the SLP and shall be done in consultation with affected mine communities, adjacent communities, labour sending areas, local or district municipality

and tribal authorities. The consultations must be meaningful and may take the form of meetings and workshops with the mine communities and related structures.

7.4 Table (S)

APPROVED PROJECT DESCRIPTION			
DURATION (PROJECT START DATE & END DATE)			
WORK DONE TO DATE AGAINST PLANNED PROJECTS			
PROJECT REVIEW TIMELINE			
TOTAL BUDGET AMOUNT FOR THE YEAR			
TOTAL AMOUNT SPENT FOR THE YEAR			
CAPPED PROJECT MANAGEMENT & CONSULTANCY FEES			
MINE COMMUNITY/IES DEVELOPED	ADJACENT COMMUNITY/IES DEVELOPED	LABOUR SENDING AREA/S DEVELOPED	

NAME	MUNICIPALITY	AMOUNT SPENT	NAME	MUNICIPALITY	AMOUNT SPENT	NAME	MUNICIPALITY	AMOUNT SPENT

8. EMPLOYMENT EQUITY.

A mining right holder shall submit a five year Employment Equity Plan for approval by the Regulator. The Employment Equity Plan shall contain modalities for progressive realisation of Mining Charter, 2018 employment equity targets and contain the following details:

- (a) Organisational Structure (hierarchical);
- (b) Job roles;
- (c) Salary scales;
- (d) Race and gender profiles;
- (e) Current target;
- (f) Progressive target achievement indicator; and
- (g) Declaration and Approval by the Board of Directors or equivalent governance structure of the licence or permit holder.

(h) Indicate whether all management levels as prescribed in the Mining Charter are applicable.

A mining right holder must comply with the employment equity targets in respect of representation of Historically Disadvantaged Persons in Board, Executive Management, Senior Management, Middle management, Junior Management and People with Disabilities by using the template in **Table T**.

The information required in **Table T** must be provided in numerical form and the categories/levels of employment must be broken down to finest details (include salary bands and grading) in line with **Tables U** on income differential.

8.1 Table. (T)

Category	African		Coloured		Indian		White		Foreign Nationals		Demographics	Total employees
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
(Board)												
Executive Management												

8.2 INCOME DIFFERENTIALS STATEMENT

Please use the table below to indicate the number of employees, including people with disabilities, and their remuneration in each occupational level in terms of race and gender.

Table (U)

Occupational levels	MALE			FEMALE			FOREIGN NATIONALS			Total
	A	C	I	A	C	I	M	F		
Board	Number of workers									
	Remuneration									
Executive Management	Number of workers									
	Remuneration									
Senior Management	Number of workers									
	Remuneration									
Middle Management	Number of workers									
	Remuneration									
Junior Management	Number of workers									
	Remuneration									
Employees With Disabilities	Number of workers									
	Remuneration									
TOTAL PERMANENT										
Temporary employees										

	Remuneration																			
TOTAL	Number of workers																			
	Remuneration																			

To implement the Mining Charter, 2018 requirement regarding career progression of employees' a mining right holder must use the template in **Table V** as follows:

8.3 Table (V)

Training programme within career progression path	Occupation	Position starting from	Current training intervention	Target position working towards	Year 1-5	
						No of identified employees

8.5 EMPLOYMENT EQUITY SCORING FOR JUNIOR MINERS PRECIOUS METALS JEWELLERS, PRECIOUS METALS BENEFICIATORS, DIAMOND BENEFICIATORS, DIAMOND DEALERS AND PRECIOUS METALS REFINERS

1. It is recognised that some junior miners (referred to in Item 3 of the Mining Charter), precious metals jewellers, precious metals beneficiators, diamond beneficiators, diamond dealers and precious metals refiners might not have all the identified management levels under the Employment Equity Element of the Charter due to the size of the operation.
2. For those junior miners (referred to in Item 3 of the Mining Charter), precious metals jewellers, precious metals beneficiators, diamond beneficiators, diamond dealers and precious metals refiners that do not have all the management levels identified in the Mining Charter the following steps must be used for scoring:
 - 2.1 The junior miner, precious metals jewellers, precious metals beneficiators, diamond beneficiators, diamond dealers and precious metals refiners must identify all the management levels relevant to them and submit same with the employment equity plan.
 - 2.2 The weightings of the employment categories identified as relevant must be added together.
 - 2.3 The weighting of each of the relevant employment categories must be divided by the value obtained in step 2 to obtain relative weightings of the relevant employment categories.
 - 2.4 The junior miner, license or permit holder will then do the scoring for each of the relevant employment categories but instead of multiplying with the weightings in the scorecard, they will multiply the scores with the relative weightings obtained in step 3.
 - 2.5 The weighted scores calculated in the previous step are then added together.
 - 2.6 The percent obtained in step 5 is then multiplied by the weighting percentage of Employment Equity in the Scorecard (page 36 to 44 of the

Gazetted Mining Charter) to obtain the total weighted score achieved under the Employment Equity Element.

3. Example of Calculating Weighted Score where the junior miner, precious metals jewellers, precious metals beneficiators, diamond beneficiators, diamond dealers and precious metals refiner does not have all the management levels. In this example, the junior miner, precious metals jeweller, precious metals beneficiator, diamond beneficiator, diamond dealer and precious metals refiner only has senior management and junior management as management levels.

3.1 The relevant employment categories for the junior miner, precious metals jewellers, precious metals beneficiators, diamond beneficiators, diamond dealers and precious metals refiner will be senior management and junior management.

3.2 The weightings of these two elements in the scorecard are:

3.2.1 Senior management: 4% for HDP representation and 3% for Female representation

3.2.2 Junior management: 2% for HDP representation and 2% for Female representation

3.2.3 The sum of these weightings is $4\% + 3\% + 2\% + 2\% = 11\%$

3.3 Each of the weightings is divided by the 11% obtained in the step above to obtain relative weightings:

3.3.1 Senior Management – HDP representation $(4\% \div 11\%) \times 100\% = 36.36\%$

3.3.2 Senior Management – Female representation $(3\% \div 11\%) \times 100\% = 27.27\%$

3.3.3 Junior Management – HDP representation $(2\% \div 11\%) \times 100\% = 18.18\%$

3.3.4 Junior Management – Female representation $(2\% \div 11\%) \times 100\% = 18.18\%$

3.4 If the junior miner, precious metals jewellers, precious metals beneficiators, diamond beneficiators, diamond dealers and precious metals refiners scores:

- 3.4.1 Senior Management – 60% on HDP representation, the weighted score will be $60\% \times 36.36\% = 21.82\%$
- 3.4.2 Senior Management – 30% on Female representation, the weighted score will be $30\% \times 27.27\% = 8.18\%$
- 3.4.3 Junior Management – 80% on HDP representation, the weighted score will be $80\% \times 18.18\% = 14.54\%$
- 3.4.4 Junior Management – 70% on Female representation, the weighted score will be $70\% \times 18.18\% = 12.73\%$
- 3.5 Adding together the scores we get:
 $21.82\% + 8.18\% + 14.54\% + 12.73\% = 57.27\%$
- 3.6 This is multiplied by the total weighted score of the Employment Equity Element from the Scorecard 30% to get a weighted score of:
 $57.27\% \times 30\% = 17.18\%$

9. HOUSING AND LIVING CONDITIONS STANDARDS

A mining right holder shall ensure maintenance of single units, family units and any other arrangement agreed to with workers by using the template in *Table W*.

- A mining right holder shall provide an originally certified copy of the housing and living conditions agreement which is not part of the collective agreement.

9.1 Table (W)

NUMBER OF EMPLOYEES ACCOMMODATED IN SINGLE UNITS	NUMBER OF EMPLOYEES ACCOMMODATED IN FAMILY UNITS	NUMBER OF EMPLOYEES RECEIVING RENTAL SUBSIDY	NUMBER OF EMPLOYEES RECEIVING HOME	NUMBER OF EMPLOYEES RECEIVING LIVING OUT	TOTAL NUMBER OF EMPLOYEES

			OWNERSHIP SUBSIDY	ALLOWANCE	

10. APPLICATION OF THE MINING CHARTER, 2018 TO LICENSES AND PERMITS GRANTED AND ISSUED IN TERMS OF THE DIAMONDS ACT AND THE PRECIOUS METALS ACT.

These guidelines apply to Chapter 4 of the Mining Charter, 2018 which deals with licenses and permits granted in terms of the Diamonds Act, 1986 and the Precious Metals Act, 2005.

10.1 OWNERSHIP ELEMENT

Undefined ownership refers to attainment of the minimum prescribed BEE shareholding distributed to qualifying employees and BEE Entrepreneurs without following percentages prescribed in the Mining Charter, 2018.

10.1.1. Existing Licenses and Permits

An existing permit or licence holder shall use the template in **Table A** to report annually on compliance with the Mining Charter, 2010 requirements.

10.1.2 Pending Licence and permit applications

A holder of a permit or license issued pursuant to a pending application shall use the template in **Table A** to report annually on compliance with the Mining Charter, 2010 requirements.

A holder of a Diamond Dealers licence or a Refining licence must increase its BEE shareholding from the minimum 26% to 30% as contemplated in the Mining Charter, 2018

once off or progressively within the twelve (12) months transitional period. The modalities for the once off or progressive increase shall be incorporated in the terms and conditions of the Diamond Dealers licence or a Refining licence pursuant to a pending application.

After the twelve (12) months transitional period a permit or license issued pursuant to a pending application shall use the template in **Table B** to report annually on compliance with the Mining Charter, 2018 requirements.

10.1.3 New licences and permits

A License or permit holder must comply with all elements of the Mining Charter, 2018 taking into account the exemptions and transitional arrangements.

Qualifying employees

A holder of a licence or permit shall use the template in **Table B** to report annually on compliance with the Mining Charter, 2018 requirements in respect of qualifying employees.

BEE Entrepreneurs

A holder of a licence or permit shall use the template in **Table D** to report annually on compliance with the Mining Charter, 2018 requirements in respect of BEE entrepreneurs.

Disposal of BEE shareholding

A License or permit holder shall report on disposal of shares and exit by BEE shareholders by using **Table E**.

10.1.4 Mineral beneficiation offset

The mineral beneficiation offset is not applicable to licences or permits issued in terms of the Diamonds Act and the Precious Metals Act.

10.2 INCLUSIVE PROCUREMENT AND ENTERPRISE DEVELOPMENT

The approved 5 year plan for industry related enterprise development must include, amongst others, the following:

- (a) Prospective entrepreneurs to be developed.
- (b) Originally certified copies of identity documents of prospective entrepreneurs or founding documents in the case of a juristic person.
- (c) Area of development for prospective entrepreneurs with clear timelines.
- (d) Breakdown of monetary, time and related contribution towards development of prospective entrepreneurs over the 5 years period.
- (e) Facilitation of funding to obtain permit and licenses by prospective entrepreneurs.
- (f) Indication of expected outcomes.

A license or permit holder shall use the template in **Table H, I, J, K, L and M** to report annually on compliance with the Mining Charter, 2018 requirements in respect of the Inclusive Procurement, supplier and Enterprise development.

10.3 HUMAN RESOURCES DEVELOPMENT

A license or permit holder shall use the template in **Table Q and Table R** to report annually on compliance with the Mining Charter, 2018 requirements in respect of the 5% leviable amount.

Reporting in terms of this element must be consistent with the career progression contemplated in **Table V** of these Guidelines.

10.4 EMPLOYMENT EQUITY

A license or permit holder shall submit a five year Employment Equity Plan for approval by the Regulator. The Employment Equity Plan shall contain modalities for progressive realisation of Mining Charter, 2018 employment equity targets and contain the following details:

- (a) Organisational Structure (hierarchical);

- (b) Job roles;
- (c) Salary scales;
- (d) Race and gender profiles;
- (e) Current target;
- (f) Progressive target achievement indicator; and
- (g) Declaration and Approval by the Board of Directors or equivalent governance structure of the licence or permit holder.
- (h) Indicate whether all management levels as prescribed in the Mining Charter are applicable.

A licence or permit holder shall use the template in **Table T and Table U** to report annually on compliance with the Mining Charter, 2018 requirements in respect of the employment equity requirements and the Approved Employment Equity Plan.

10.5 SOCIO ECONOMIC DEVELOPMENT GUIDELINE

A licence or permit holder must use **Table X** to report the extent of compliance with Socio-economic development commitments by providing full description of approved Socio-economic development projects, duration of such projects, percentage of work done to date, project review timeline, the total budgeted amount and reflect the capped project management and consultancy fees. A licence or permit holder shall further provide project execution details including the identification of communities developed, actual amount spent, details of project managers and consultants and provide annual reports to the Department.

Collaboration: collaboration on approved projects must be transparent, inclusive and based on consultation with all stakeholders. Amendment of the approved project shall be done through the SADPMR.

Review of projects: A precious metals refiner whose licence has been issued for a period of more than five (5) years shall review its contribution to socio-economic development every five years for the duration of the refiners licence.

14.3.1 Table (X)

APPROVED PROJECT DESCRIPTION					
DURATION (PROJECT START DATE & END DATE)					
WORK DONE TO DATE AGAINST PLANNED PROJECTS					
PROJECT REVIEW TIMELINE					
TOTAL BUDGET AMOUNT FOR THE YEAR					
TOTAL AMOUNT SPENT FOR THE YEAR					
CAPPED PROJECT MANAGEMENT & CONSULTANCY FEES					
COMMUNITY/IES DEVELOPED			ADJACENT COMMUNITY/IES DEVELOPED		
NAME	MUNICIPALITY	AMOUNT SPENT	NAME	MUNICIPALITY	AMOUNT SPENT

11. REGIME FOR JUNIOR MINERS

Undefined ownership refers to attainment of the minimum 30% BEE shareholding distributed to all BEE shareholders without following percentages prescribed in the Mining Charter, 2018.

12. REVIEW OF MINING CHARTER GUIDELINES

The Minister may, by notice in the Gazette, review the Mining Charter Implementation Guidelines.

13. LIST OF TABLES

TABLE	DESCRIPTION
1. TABLE (A)	Existing mining rights annual reporting template.
2. TABLE (B)	ESOPS annual reporting template for qualifying employees.
3. TABLE (C)	Host Communities equity equivalent benefit annual reporting template.
4. TABLE (D)	BEE Entrepreneurs annual reporting template.
5. TABLE (E)	Annual reporting template for disposal BEE shareholding.
6. TABLE (F)	Mineral beneficiation equity equivalent annual reporting template.
7. TABLE (G)	Monetary value annual reporting template for the beneficiation equity equivalent.
8. TABLE (H)	Mining goods procurement annual reporting template.
9. TABLE (I)	Services procurement annual reporting template.
10. TABLE (J)	Enterprise & Supplier Development annual reporting template.
11. TABLE (K)	Supplier development & OEM's annual reporting template.

12. TABLE (L)	R&D annual reporting template.
13. TABLE (M)	Sample analysis annual reporting template.
14. TABLE (N)	Mining Goods Scorecard.
15. TABLE (O)	Services Scorecard.
16. TABLE (P)	Enterprise and Supplier development offset reporting template.
17. TABLE (Q)	HRD annual reporting template (Employees).
18. TABLE (R)	HRD annual reporting template (Non-Employees).
19. TABLE (S)	Mine Community Development (SLP) annual reporting template.
20. TABLE (T)	Employment Equity annual reporting template.
21. TABLE (U)	Income differential annual reporting template.
22. TABLE (V)	Core and Critical skills annual reporting template.
23. TABLE (W)	Housing and Living Conditions annual reporting template.
24. TABLE (X)	Socio-economic development reporting template.