



# mineral resources

Department:  
Mineral Resources  
**REPUBLIC OF SOUTH AFRICA**

## HIGHLIGHTS: MINING CHARTER 2017

ELEMENT	SALIENT POINTS
<b>OWNERSHIP</b>	<ul style="list-style-type: none"> <li>• Minimum 30% BEE for all mining rights               <ul style="list-style-type: none"> <li>○ 8% employees</li> <li>○ 8% mine communities</li> <li>○ 14% black entrepreneurs</li> </ul> </li> <li>• Right-holders already at 30% not required to apportion</li> <li>• Minimum 50% plus 1 Black Person shareholding for all new prospecting rights; must include voting rights</li> <li>• Right-holder to pay 1% of annual turnover to the 30% BEE prior to any distributions to its shareholders. Provisions of <i>Companies Act 71, 2008</i> will apply</li> <li>• A holder who claims a Historical BEE Transaction (transaction that achieved 26% prior to 2017 Charter) must top up to 30% within 12 months. Applies even where the black person shareholding is no longer 26% due to either a BEE partner exiting or the contract with the BEE partner lapsing or the transfer of shares by the BEE partner to non-BEE persons.</li> <li>• A holder who has maintained 26% black person shareholding is required to top up its black person shareholding to 30% within 12 months of the 2017 Charter coming into effect.</li> </ul>
<b>EMPLOYMENT EQUITY</b>	<ul style="list-style-type: none"> <li>• <b>Board level:</b> 50% black; 25% to be women</li> <li>• <b>Executive/Top management:</b> 50% black; 25% to be women</li> <li>• <b>Senior management:</b> 60% black; 30% to be women</li> <li>• <b>Middle management:</b> 75% black; 38% to be women</li> <li>• <b>Junior management:</b> 88% black; 44% to be women</li> </ul>
<b>PROCUREMENT</b>	<ul style="list-style-type: none"> <li>• 70% of all mining goods to be from BEE entities</li> <li>• 80% of all services to be from BEE entities</li> <li>• 100% of mineral samples to be analysed by SA-based firms</li> </ul>

	<ul style="list-style-type: none"> <li>• Foreign suppliers to pay 1% of their annual turnover to the Mining Transformation and Development Agency.</li> </ul>
<b>BENEFICIATION</b>	<ul style="list-style-type: none"> <li>• A <b>maximum offsetting of 11%</b> against BEE shareholding; must meet the following criteria: <ul style="list-style-type: none"> <li>○ Invested in beneficiation since 2004;</li> <li>○ the beneficiation must be in line with the definition of beneficiation contained in the MPRDA;</li> <li>○ the Department of Mineral Resources must approve such beneficiation;</li> <li>○ 11% offsetting will not apply to beneficiation that started after 2004 but has since ceased or that has been terminated; and</li> <li>○ 11% offsetting can only be claimed if the beneficiation is still ongoing.</li> </ul> </li> </ul>
<b>HOUSING AND LIVING CONDITIONS</b>	<ul style="list-style-type: none"> <li>• Principles as set out in the Housing and Living Conditions Standards for the Mining and Minerals Industry developed in terms of section 100(1)(a) of the MPRDA which includes: <ul style="list-style-type: none"> <li>○ decent standards of housing;</li> <li>○ centrality of home ownership;</li> <li>○ provision for social, physical and economic integrated human settlements;</li> <li>○ involvement of employees in the housing administrative system;</li> <li>○ affordable, equitable and sustainable health system; and</li> <li>○ proper nutrition requirements and standards.</li> </ul> </li> </ul>
<b>HUMAN RESOURCE DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>• 5% investment of the Leviable Amount on skills development, apportioned as follows: <ul style="list-style-type: none"> <li>○ 2% on essential skills development activities such as artisanal training, bursaries, literacy and numeracy skills for employees and non-employees (community members);</li> <li>○ 1% towards South African Historically Black Academic Institutions; and</li> </ul> </li> </ul> <p>2% towards the Mining Transformation and Development Agency.</p>