

# Social and Labour Plan



## **Tja Naledi Beafase Investment Holdings (Pty) Ltd**

### SOCIAL AND LABOUR PLAN 2017

28 August 2017

#### Organizing structure of this document

The organization of this document follows directly from Regulation 46 (a) to (f) – ‘Contents of the Social and Labour Plan’ – of the regulations of the Mineral and Petroleum Resources Development Act (Act 28 of 2002).

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## **ABBREVIATIONS AND ACRONYMS**

ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral Therapy
BBSEE	Broad-Based Socio-Economic Empowerment
BEE	Black Economic Empowerment
BBBEE	Broad-Based Black Economic Empowerment
CIF	Critical Infrastructure Fund (DTI)
CSI	Corporate Social Investment
DMR	Department of Mineral Regulation
DoH	Department of Housing
DoL	Department of Labour
EE	Employment Equity
EIA	Environmental Impact Assessment
EMP	Environmental Management Programme
EMPR	Environmental Management Programme Report
GDP	Gross Domestic Product
HDP	Historically Disadvantaged Person
HDSA	Historically Disadvantaged South African
HIV	Human Immunodeficiency Virus
HRD	Human Resources Development
IAP	Interested and Affected Parties
IDC/P	Individual Development Charter/Plans
IDP	Integrated Development Plan
LED	Local Economic Development
MDG	Millennium Development Goals
MMSD	Mining, Minerals and Sustainable Development
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NGO	Non-governmental Organization
NQF	National Qualifications Framework
PAYE	Pay As You Earn
PRSP	Poverty Reduction Strategy Papers
SADC	Southern African Development Community
SAMPPF	South African Mining Preferential Procurement Forum
SED	Socio-economic Development
SIMRAC	Safety in Mines Research Advisory Committee
SMME	Small, Micro and Medium Enterprise
SPTSF	Social Plan Technical Support Facility
STD	Sexually Transmitted Disease
UIF	Unemployment Insurance Fund
VAT	Value-Added Tax
VCT	Voluntary Counselling and Testing
WSP	Workplace Skills Plan
WSSD	World Summit on Sustainable Development

## **GLOSSARY**

<b>Black</b>	Africans, Indians and Coloureds
<b>Broad-Based Socio-Economic Empowerment (BBSEE)</b>	Refers to a social or economic strategy, plan, principle, approach or act, which is aimed at: a) Redressing the results of past or present discrimination based on race, gender or disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries; and b) Transforming such industries so as to assist in, provide for, initiate, facilitate or benefit from: i) Ownership participation in existing or future mining, prospecting, exploration and beneficiation operations; ii) Participation in or control of management of such operations; iii) Development of management, scientific, engineering or other skills of HDSA's; iv) Involvement or participation in the procurement chains of operations; and v) Integrated Socio-economic Development of host communities, major labour- sending areas and areas that (due to unintended consequences of mining) are becoming
<b>Community</b>	A coherent social group of persons with interests in or rights on a particular area of land. The members hold or exercise these interests or rights communally in terms of an agreement, custom or law.
<b>Community housing</b>	Housing that the mine provides or facilitates provision of in informal settlements.
<b>Company controlled accommodation</b>	Housing supplied by Tja Naledi Beafase Investment Holdings (Pty) Ltd
<b>Employee</b>	An employee is defined as any full-time person who directly works for the owner of a mining right and production right and who is entitled to receive any direct remuneration from the holder of any of the above-mentioned rights.
<b>Ghost towns</b>	Areas where economies were dependent on mining and could not survive beyond the closure or significant downsizing of mining
<b>Historically Disadvantaged Person (HDP)</b>	a) Any person, category of person or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) took effect; b) Any association, a majority of whose members are persons contemplated in Paragraph (a); and c) Any juristic person other than an association, in which persons contemplated in Paragraph (a) own and control a majority of the issued capital or members interest and are able to control a majority of the members votes



<b>Historically Disadvantaged South African (HDSA)</b>	Refers to any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation.
<b>HDSA company</b>	A company that is owned or controlled by Historically Disadvantaged South Africans.
<b>HDSA management participation %</b>	The number of HDSA's in management divided by the total number of management positions.
<b>Integrated Development Plan (IDP)</b>	A plan aimed at the integrated development and management of a municipal area as contemplated in the Municipal Structures Act (Act 117 of 1998). For the purposes of this Social and Labour Plan, IDP is taken to mean the IDP for the Sasolbura Municipality.
<b>Labour-sending areas</b>	Municipalities from which current employees have been recruited Free State Province – Ngwathe/Parys
<b>Local labour</b>	Those employees recruited locally from within the mine community.
<b>Local business development (LBD)</b>	The development of HDSA companies as potential suppliers in the locality of the mining operations.
<b>Major labour- sending areas</b>	As far as this Social and Labour Plan is concerned, major labour-sending areas are those municipalities from which the MINE sources the majority of its labour. Special consideration is given to these municipalities because of the MPRDA's requirements for the mine to co-ordinate its Local Economic Development (LED) programme with the municipalities' Integrated Development Programmes (IDPs)
<b>Management</b>	This is equivalent to Peromnes Grade 4 – 7 for Tja Naledi .

**Mine community**

The mine community is defined as those towns, villages and tribal settlements that fall within the local municipality of.

Mine community issues that are directly and indirectly required by the regulations to be addressed in this Social and Labour Plan are:

- a) Existing and expected patterns of human settlements and villages within this community;
- b) Patterns of labour sourcing for the mine;
- c) Common commuting habits to and from the mine on a daily or weekly basis for the purpose of work;
- d) Spending patterns of the mine's employees;
- e) The use of social amenities, recreational facilities and infrastructure;
- f) Commercial and industrial linkages;
- g) Provincial and municipal boundaries;
- h) Existing and proposed functional boundaries, including magisterial districts;
- i) Existing and expected land use, transport modes and routes;
- j) The need for co-ordinated social development programmes and services, including the need for housing, nutrition and healthcare; and
- k) The need to rationalize the delivery of sustainable services and

**Municipality**

For the purposes of this Social and Labour Plan, a municipality is defined as a local municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls and which is described in section 155 (1) of the Constitution as a category B municipality.

**Ownership of a business**

Ownership can be achieved through:

- a) A majority shareholding position (50% equity plus one share);
  - b) Strategic joint ventures or partnerships (25 per cent plus 1 vote);
- or
- b) Broad-based ownership (such as HDSA-dedicated mining

**Total procurement spend**

Expenditure on capital goods, consumables and services. This includes both discretionary and non-discretionary expenditure.

## Regulation 46(a) – Preamble

### Executive Summary

Tja Naledi Beafase Investment Holdings (Pty) Ltd intends to operate one mining operation in the Parys District in South Africa. The Company is fairly new and has been formed by a partnership of Stephen Jacobs, Joy Rabotapi and Catharina Jacobs.

The intention of Tja Naledi is to operate a sand mine supplying silica sand, aggregate and alluvial diamonds to various projects including foundries in the Vaal Triangle, Gauteng and North West areas. The operation is situated approximately 20 km from Vanderbijlpark and 23 km from Sasolburg in the Free State Province. The mining operation intends to extract silica sand and load it onto the awaiting client's trucks. **As a start only one contractor and one employee will be employed on the mine.** As the market and demand for sand, gravel and alluvial diamonds increases more employees will be appointed as and when required. **Therefore this SLP speak to the future. The HRDP will apply to the future employees as and when they are employed.**

### Human Resources Development Programme

Tja Naledi Beafase Investment Holdings (Pty) Ltd plans to implement a human resources development programme with emphasis on career progression, skills development and mentoring, as per the requirements of the Social and Labour Plan.

### ABET

The single employee and single contractor used in the mining have Grade 12 qualifications. An Adult Basic Education and Training (ABET) programmes is not required at this stage but will be made available if and when required.

### Mentorship for Employees

In line with career pathing and succession planning, informal mentorship will be afforded to all employees with emphasis on HDSA candidates as and when the need arises.

### Women Participation

The company plans to give women preference in the workplace when appointing new employees.

### Local Economic Development Programme

Although Tja Naledi Beafase Investment Holdings (Pty) Ltd is a small company, it would support the local Ngwathe Municipality's IDP financially. We also support local government housing projects with sand and aggregate if and when needed.

### Housing

Tja Naledi Beafase Investment Holdings (Pty) Ltd currently provides company accommodation for its single female employee off site.

### Health and Nutrition

All employees will be educated regularly by the Tja Naledi's contracted Clinic Sister on the importance of nutrition and a balanced diet. With regard to HIV/AIDS, all future employees will be encouraged to know their HIV status, through completing a HIV/AIDS Voluntary Counselling and Testing (VCT).

### **Preferential Procurement**

The mine is not in operation yet but once the mining right is approved preferential procurement spent with HDSA suppliers will constitute 40% in 2015. Tja Naledi intends increasing its discretionary procurement spent with HDSA suppliers to 50% by 2019.

### **Downscaling and retrenchment - Future Forum**

Tja Naledi commits itself to setting up a Future Forum to assist with the successful implementation of the Social and Labour Plan as well as post-implementation monitoring.

### **Saving jobs and avoiding job losses and decline in employment**

In the event of possible job losses and a decline in permanent employment, Tja Naledi will redeploy the employee and future employees in one or more of the many businesses belonging to the partners.

### **Providing alternative solutions and procedures for creating job security where job losses cannot be avoided**

Where job losses are unavoidable, Tja Naledi will redeploy the employee and future employees in one or more of the many businesses belonging to the partners.

### **Ameliorating the social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain.**

Planning for closure takes place throughout the life of the mine, from exploration through to post-closure rehabilitation. Tja Naledi Beafase Investment Holdings (Pty) Ltd intends to use its best endeavours in order that the livelihood of its employee and future employees are sustained despite closure of the mine. Closure initiatives include re-employment programmes. Tja Naledi Beafase Investment Holdings (Pty) Ltd will also develop a closure plan that considers the optimum use of mine land and infrastructure during the operational and closure phase of the mine's life. Tja Naledi Beafase Investment Holdings (Pty) Ltd will attempt to find alternative uses for the mining area that will be acceptable to all stakeholders.

### **Financial Provision**

In order to provide financially for the implementation of the Social and Labour Plan, Tja Naledi Beafase Investment Holdings (Pty) Ltd envisages spending up to 10% of its future annual payroll on Human Resources Development and Local Economic Development for the foreseeable future, subject to business performance and the state of the South African economy. All financial provisions will be made from ongoing operational cash-flows of Tja Naledi in line with the requirements of this plan. Since we only have one employee at present it is difficult to predict an exact amount for the implementation of this SLP.

# 1. Preamble and background information on the Tja Naledi Beafase Investment Holdings (Pty) Ltd Mine

This section outlines the location of Tja Naledi (Pty) Ltd, as well as key data on its operation, its future spending, its current and future workforce and its socio-economic impact. The demographics of the workforce are explained, as well as the geographic distribution of the mine's labour sending areas, giving a basis on which the various impacts of the operation are explored in this Social and Labour Plan.

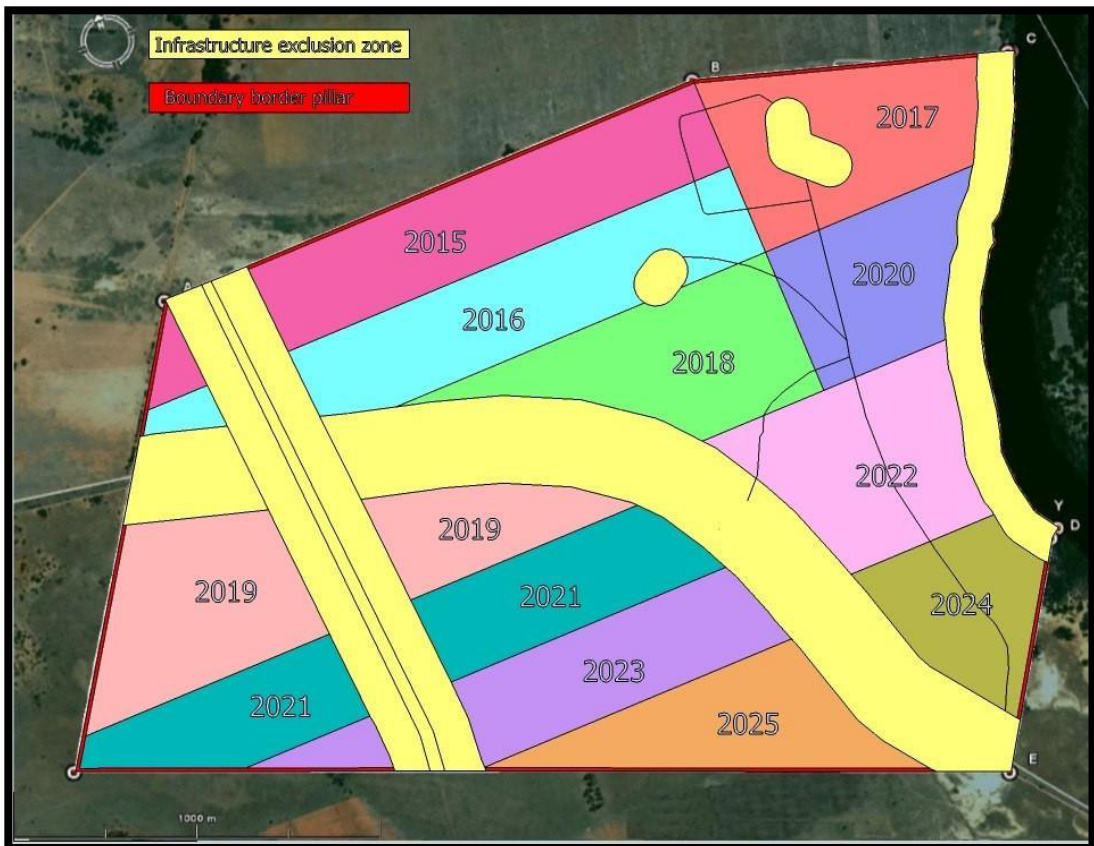


Figure 1: Tja Naledi Beafase Investment Holdings (Pty) Ltd Operation

## 1.1. Location of Tja Naledi Beafase Investment Holdings (Pty) Ltd Mine

Tja Naledi Beafase Investment Holdings (Pty) Ltd is located in the Parys / Ngwathe Local Municipality in the Free State Province.

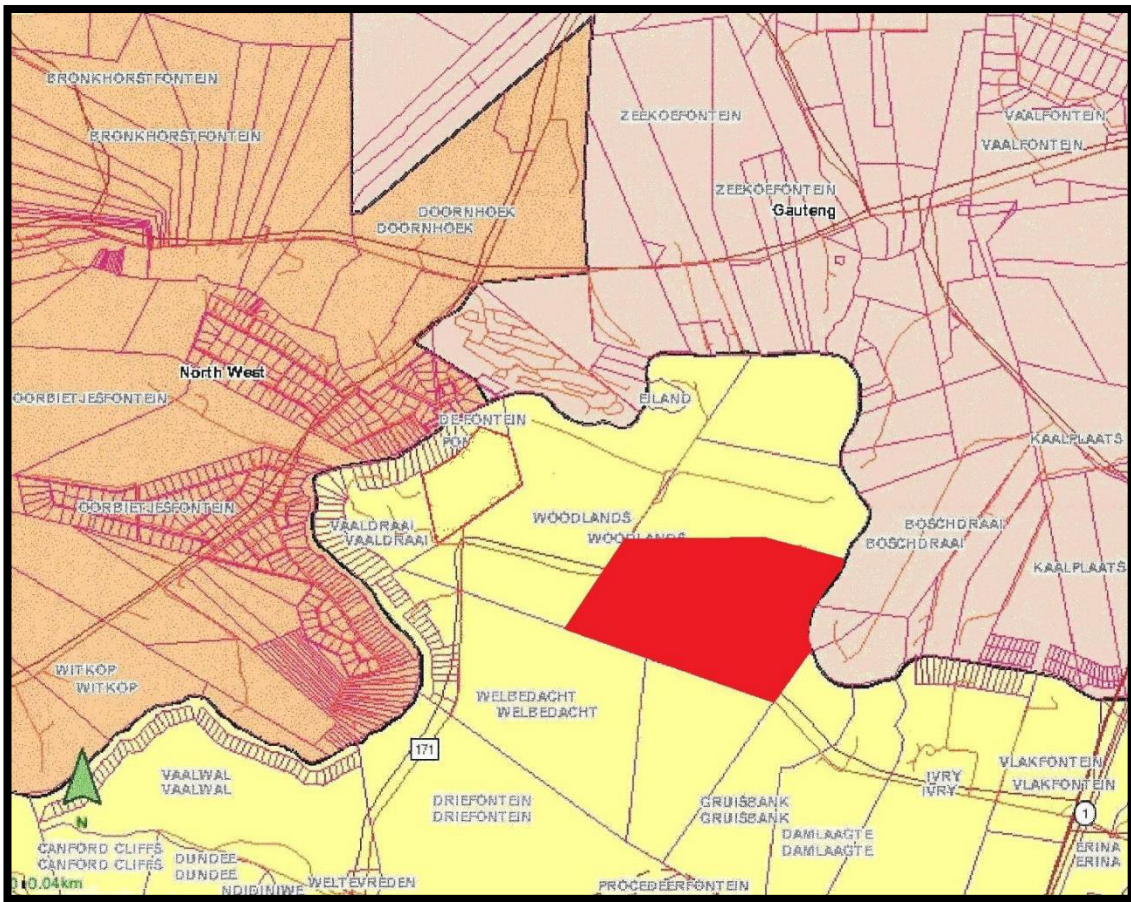


Figure 2: Location of the site

1. Name of company	Tja Naledi Beafase Investment Holdings (Pty) Ltd
2. Name of mine	Tja Naledi Beafase Investment Holdings (Pty) Ltd / Barrage Bulk Sand Mine
3. Physical address	Subdivision 4 of the farm Woodlands 407, Magisterial District of Parys
4. Postal address	PO Box 11, Modderfontein, 1645
5. Telephone	(011) 606-3116
6. Facsimile	(011) 608 2056
7. Location	Subdivision 4 of the farm Woodlands 407, Magisterial District of Parys
8. Commodities mined	Silica Sand, Gravel (Aggregate) and Alluvial Diamonds
9. Life of mine	The expected life of mine is 10 years.
10. Financial year	28 February of every year
11. Reporting year	31 March of every year
12. Responsible person	Stephen Jacobs
13. Geographic origin of employees	All of the employees are from Parys

## List of Farms On Which Tja Naledi Conducts Its Mining Operation

**Farm name 1:** Woodlands  
Farm number and Registration division: 407  
Magisterial district: Parys  
Farm subdivision name: Deo Juvante  
Farm subdivision number: 4  
SG 21-digit code (if known): Offshore area (if applicable):

### 1.2. Ownership

Tja Naledi Beafase Investment Holdings (Pty) Ltd is owned by Stephen Jacobs, Joy Rabotapi and Catharina Jacobs.

### 1.3. Commodities mined

Silica sand, Gravel (Aggregate) and Alluvial Diamonds.

### 1.4. Key statistics for Tja Naledi (Pty) Ltd

Planned commencement	2015
Planned closure	10yrs (2025)
Average, current direct permanent employment	1 person currently
Current Wage payments	R 72 000 per year
Total Current Preferential HDSA Procurement Spend (2014)	Zero since the mine is not yet operational.
Royalties (State)	5.54% of turnover as per Royalty Act requirement

### 1.5. The demographics of the Tja Naledi Beafase Investment Holdings (Pty) Ltd workforce

#### 1.5.1. Defining the mine's labour

In the context of this Social and Labour Plan, the mine's labour is defined as those workers who are employed directly by Tja Naledi Beafase Investment Holdings (Pty) Ltd.

Table 1: Villages and Towns from which Tja Naledi Beafase Investment Holdings (Pty) Ltd Sources its Labour

TOWNS NEAR THE MINE	LOCAL MUNICIPALITY	NUMBER OF EMPLOYEES (%)
Parys	Ngwathe	100%

### **1.5.2. Geographical distribution of Tja Naledi Beafase Investment Holdings (Pty) Ltd sources of labour<sup>1</sup>**

#### **a) Provincial distribution**

The Free State province supplies all of the labour to Tja Naledi .

#### **b) Municipal distribution**

Tja Naledi Beafase Investment Holdings (Pty) Ltd labour complement of 1 employee is sourced from Parys (see Table 1).

### **1.5.3. Defining the mine community**

The mine community is defined as those towns, villages and tribal settlements that fall within the Ngwathe Local Municipality. It is this municipality, therefore, that is regarded as:

- a) The focus of Tja Naledi Beafase Investment Holdings (Pty) Ltd Local Economic Development (LED) projects;
- b) The municipality whose Integrated Development Plan (IDP) the mine must consider when developing and implementing its LED projects; and
- c) The area in which the mine's economic impact is assessed.

### **1.5.4. Profile of the average Tja Naledi Beafase Investment Holdings (Pty) Ltd employees**

#### **a) Dependants**

Tja Naledi 's current employee records show that the household of the employee has 5 dependants. Future appointment will be assessed to determine the average dependant numbers.

#### **b) Language diversity of the Tja Naledi (Pty) Ltd's workforce**

The current single employee speaks Sesotho as a first language. Other languages spoken include Afrikaans and English. Future employees language diversity will be recorded and taken into account.

#### **c) Age and service profile**

There is no age and service statistics for this project since it has not commenced yet.



# Regulation 46(b) Human Resources Development Programme

## 2. Human Resources Development Programmes

### 2.1. Overview

This section deals with the information required under Regulation 46 (b) with regard to Human Resources Development. Of particular importance is the need to develop and transform the South African mining/quarrying industry, with the specific requirement being to fast-track the development of Historically Disadvantaged South Africans (HDSA's). The HRD-related objectives of the Mining Charter are to:

- Substantially and meaningfully expand opportunities for HDSA's, including women, to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;
- Utilize the existing skills base for the empowerment of HDSA's;
- Expand the skills base of HDSA's to serve the community;
- Promote employment and advance the social and economic welfare of mining communities and major labour-sending areas; and
- Promote beneficiation of South Africa's mineral commodities.

The Mining Charter commits all stakeholders to creating an enabling environment for the empowerment of HDSA's by providing a comprehensive Skills Development Plan that addresses the HDSA mining skills deficits within the industry. The Mining Charter calls for stakeholders to work together in addressing this skills gap by:

- a) Interfacing with statutory bodies, such as the Mining Qualifications Authority (MQA), through the standing consultative arrangements in the formulation of comprehensive skills development strategies including a skills audit;
- b) Interfacing with education authorities and providing scholarships to promote mining-related educational advancement, especially in the fields of mathematics and science at school level;
- c) Providing skills training opportunities, through the MQA, to workers during their employment to improve their earning capacity after mine closure;
- d) Providing access to training courses in mining entrepreneurial skills through the MQA and in collaboration with academic institutions, Department of Mineral Regulation (DMR) associated institutions, NGOs and the Gender Commission;
- e) Offering every employee the opportunity of becoming functionally literate and numerate;
- f) Implementing and accelerating career paths for HDSA employees to progress in their chosen careers; and
- g) Developing systems through which empowerment groups can be mentored as a means of capacity building.

## **2.2. Human Resources Development at Tja Naledi Beafase Investment Holdings (Pty) Ltd**

The future Tja Naledi HRD strategy will take cognisance of the growing shortage of critical skills in the Mining industry in South Africa. Development of future HDSA's leadership is a key strategic focus area. The HRD will be managed at Tja Naledi once a mining right is received. This is seen as a critical component of achieving the mine's employment equity and gender equity targets. Consequently, the mine's HRD programmes will be aligned with the Workplace Skills Plans (WSP) and integrated with the long-term business plan. These programmes will be constantly assessed, reviewed and revised to address the organization's short-term, medium-term and long-term human capital development requirements. Once a mining right is received a skills development facilitator will be appointed. Should no suitable candidate for the Skills Development Facilitator be found in house, an external specialist will be appointed for the position. A detailed Workplace Skills Plan and Annual Training Report will be submitted within one year of the mining right being issued.

## **2.3. Strategy and objectives**

This section of the Social and Labour Plan is structured according to Regulation 46 (b), and Tja Naledi 's HRD strategy and objectives follow this structure as outlined below:

Regulation 46 (b) (i)	Skills Development Plan
Regulation 46 (b) (ii)	A Career Progression Plan and its implementation in line with the Skills Development Plan
Regulation 46 (b) (iii)	A Mentorship Plan and its implementation in line with a Skills Development Plan and the needs of the empowerment groups
Regulation 46 (b) (iv)	An Internship and Bursary Plan and its implementation in line with the Skills Development Plan

## **2.4. Skills Development Plan**

Tja Naledi is committed to ensuring that its current worker and any future employees are given the opportunity of acquiring skills and competencies to achieve both individual and organizational goals in the context of the mine's operational and Local Economic Development (LED) objectives. The mine is currently in process of registering with the MQA and will offer the training courses as outlined by the MQA. Within three months of the receipt of the mining right, proof of registration will be submitted to the DMR.

### **Strategy and objectives**

The purpose of the Skills Development Plan is to address the future skills and competency gaps at the mine and also provide for the training needs of HDSA's, the future fast-tracking of individuals within the talent pool, and the various future career pathing and mentoring programmes as required to achieve the business objectives.

## 2.5. Skills levels of the Tja Naledi Beefase Investment Holdings (Pty) Ltd workforce

The overall education levels for the Tja Naledi workforce is given in Table 6 (Form Q) which reflects that the workforce is regarded as literate. In line with the future Workplace Skills Plan Tja Naledi has identified its strategic skills development priorities. These are shown below in Table 2.

Table 2: Skills Developmental Priorities

Priority Number	Priority Description
1	Skills to improve business processes (Functional skills)
2	Health and Safety skills
3	Environmental Skills
4	Basic Business Skills (computer skills)
5	Basic understanding of legislation

Table 3: Number of Future training interventions for future HDSA candidates

MQA Course #	Course Name	2015	2016	2017	2018	2019
54	Bulk Materials Loading	1	1	1	1	1
55	Monitor and Operate Plant and Equipment		1	2	1	1
56	Generic Engineering		2	2	2	2

Table 4: Number planned learnerships for future HDSA candidates

MQA Course #	Course Name	Level	2015	2016	2017	2018	2019
37	Diesel Mechanic (Open Cast)	3		1	1	1	1

Table 5: Planned portable skills to be developed for future employees

Planned Portable skills to be developed for future employees The proposed identified service provider is SAG Training CC based in Carletonville. They are accredited with the Department of Labour (Registration number 8P4226).

Portable skill	2015	2016	2017	2018	2019
Bricklaying		1	1	1	1
Plastering and Tiling					
Plumbing					
Electrical			1	1	1
Code 10			1	1	1
Driving					

## 2.6. Adult basic education and training (ABET)

ABET afford every employee the opportunity to become functionally literate and numerate.

LEVEL	RACE	GENDER	NO. OF CURRENT CANDIDATES
Pre-Abet	N/A	N/A	0
Level 1	N/A	N/A	0
Lvel 2	N/A	N/A	0
Level 3	N/A	N/A	0
Level 4	N/A	N/A	0

Candidates will be encouraged to complete each level within a period of 12 months.

Tja Naledi will make ABET classes available to all future functionally illiterate employees as and when they are employed so as to achieve satisfactory levels of functional literacy and numeracy. We have identified Triple E training in Vanderbijlpark as the ABET training suppliers instead of the Local Technical College.

## 2.7. Outcome-based education, training and development

### Coherence with the National Skills Development Strategy

Outcome-based education, training and development will be implemented at Tja Naledi with the principal objective of aligning the operation's Human Resource Development (HRD) strategy and practices with the National Skills Development Strategy and relevant national legislation.

### Training facilities

Currently most of Tja Naledi 's core training requirements are undertaken in house and on the job. Future external training will be conducted by training providers accredited by the relevant SETA.

### Management and leadership development

Opportunities for management development training, talent and potential assessment, learning exposure and skills development from first-line management to senior management will be provided. Talent management Young talent is managed as a strategic resource that is carefully prepared for senior deployment in serving the company. Tja Naledi 's talent management strategy is directed towards:

- a) Creating a future talent pool to optimize the capacity of people who are identified as having leadership potential;
- b) Providing continuous training and development opportunities for future individuals within this talent pool; and
- c) Developing a culture and value system that encourages talent development, management and leadership at Tja Naledi .

### Functional and technical training

Tja Naledi will ensure that functional and technical job skills are mastered by individuals at a competitive level to ensure productivity and good customer service. Individual training opportunities will be measured against performance management, career aspirations and company needs, and will be managed jointly by shareholders of Tja Naledi. Future suitable candidates will be placed on a succession plan for the following critical positions:

<b>POSITION</b>	<b>RACE</b>	<b>GENDER</b>	<b>NO OF CANDIDATES</b>
Production Foreman	Black	Male	1
Mechanical Foreman	Black	Male	1
Vehicle Garage Foreman	White	Male	1
Production Supervisor	Black	Male	2

### 3. Number and Education level of Tja Naledi Beafase Investment Holdings (Pty) Ltd employees.

Table 6: Number and Education Level of current Tja Naledi Beafase Investment Holdings (Pty) Ltd Employees, as per Form Q in Annexure II of the MPRDA Regulations.

Band	NQF Level	Old System	Male				Female				Total	
			A	C	I	W	A	C	I	W	Male	Female
		No schooling/Unknown										
		Grade 0/Pre										
		Grade 1 / Sub A										
		Grade 2 / Sub B										
		Grade 3 / Std 1 / ABET 1										
		Grade 4 / Std 2										
		Grade 5/ Std 3 / ABET 2										
		Grade 6 / Std 4										
General Education and Training (GET)		Grade 7 / Std 5 / ABET 3										
		Grade 8 / Std 6										
	1	Grade 9 / Std 7 / ABET 4										
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1										
	3	Grade 11/ Std 9 / N2										
	4	Grade 12 / Std 10 / N3					1					1
Higher Education and Training (HET)	5	Diplomas / Certificates										
	6	First degrees / Higher										
	7	Honours / Masters										
	8	Doctorates										

			Male				Female				Total	
Band	NQF Level	Old System	A	C	I	W	A	C	I	W	Male	Female
		<b>Total</b>					<b>1</b>					<b>1</b>

#### 4. Number of vacancies that Tja Naledi Beafase Investment Holdings (Pty) Ltd has been unable to fill

Table 7: Number of Vacancies that Tja Naledi has been Unable to Fill, as per Form R in Annexure II of the MPRDA Regulations

OCCUPATIONAL LEVEL	JOB TITLE OF VACANCY	MAIN REASON FOR BEING UNABLE TO FILL THE VACANCY
Top management	0	N/A
Senior management	0	N/A
Professionally qualified and experienced specialists, as well as mid-management	0	N/A
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	N/A
Semi-skilled and discretionary decision-making	0	N/A
Unskilled and defined decision-making	0	N/A



## 5. Career progression planning

### 5.1. Preamble

Table 9 reflects the proposed Tja Naledi future organogram and the future career path matrix (learner paths). The matrix describes the Career Progression Plan for Tja Naledi employees, and its implementation in line with the Skills Development Plan.

### 5.2. Statement of intent

The future learner paths will guide the mine and the future employees on a desirable path for career progression and the expected timeframes necessary for achieving the various job levels after the qualification criteria are met. Tja Naledi 's five-year career progression plan detailed below in Table 8.

*Table 8: Future Career Progression: Five-year Plan with effect from 1 March 2016*

GENDER	RACE	JOB TITLE	JOB GRADE	POSSIBLE FUTURE POSITION	JOB GRADE	ESTIMATED TIME SPAN
Male	B	Manager	7	Production Superintendent	6	1 year
Male	B	Supervisor (Production)	10	Production Foreman	8	2 Year
Male	B	Process Operator	11	Shift Supervisor (Production)	10	1 Year
Male	B	Technical Advisor (Engineer)	7			5 Year
Male	B	Tester	14			3 Year
Female	W	Accountant	7			3 Year

### **5.3. Strategy and objectives**

Career development learner paths will be developed for all jobs down to Peromnes Grade 16. The career development pathing process will be in line with the Skills Development Programme. Job Models will be outlined with respect to minimum job entry requirements, desirable qualifications, relevant courses and the required duration to complete each step in the recommended career path for each position. Consideration will be given to complexity, qualifications, experience and competence.

### **5.4. Career pathing processes at Tja Naledi Beafase Investment Holdings (Pty) Ltd**

Future career pathing at Tja Naledi will involve developing a road map, which indicates possible routes to move or change from one role or position to another within a specific discipline. The movement could either be to a position on the same level or a position on a higher level.

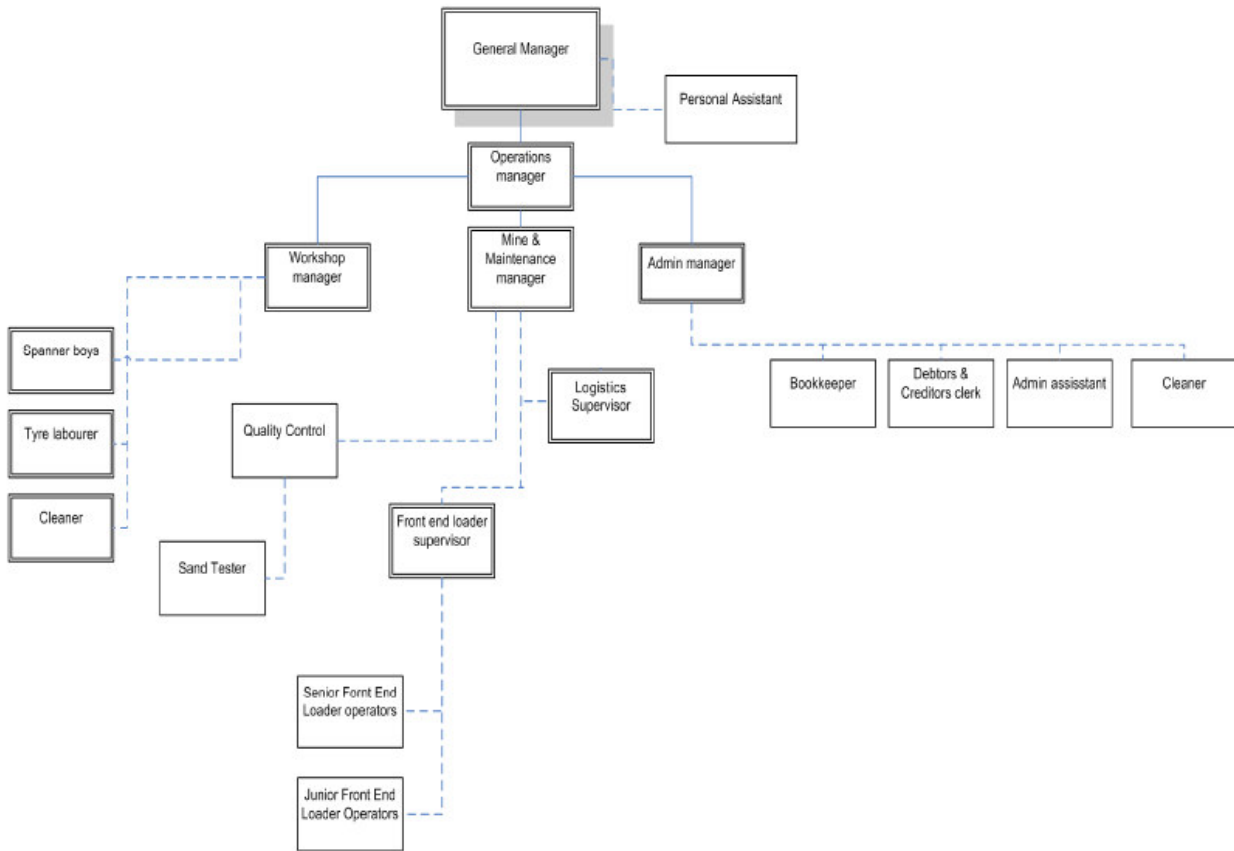
The future career path will identify opportunities for people to excel, and will explain what is required to move forward in the company, based on the company's strategy. Career paths will be used to create short-term and long-term career plans for individuals, or to prepare for transitional changes or career crises that might occur in the future. The paths will also be used during selection and recruitment, training and development, and talent management. The process will involve determining both the role potential and capacity requirements to enable delivery against key performance areas. In addition, the roles described in the career path will cover what is expected of an employee. This role description will provide information regarding the role title, general information about the department, nature of the appointment, grade, profile description, required abilities, work outputs, performance indicators, descriptions of tasks, role decisions and reporting relationships, as well as internal and external interfaces and their relationship to the role. With regard to future HDSA career pathing Tja Naledi Beafase Investment Holdings (Pty) Ltd will:

- a) Identify critical positions;
- b) Implement HDSA training through accredited Training Institutions;
- c) Formulate career paths to critical positions where shortages are anticipated;
- d) Establish job models for all critical positions;
- e) Identify all the requirements of the job models; and
- f) Implement formal career planning for potential candidates.

### **5.5. Individual Development Plans (IDPs)**

All current and future employees will be interviewed annually to develop their individual development plans. These IDP's are consistent with generic career learner paths for each discipline. Generic learner paths will be constructed for all future core careers at Tja Naledi . In line with DMR requirements, the learner paths will show the education, skills and experience requirements to progress.

Table 9: Proposed future Tja Naledi Organogram



FUTURE JOB TITLE	JOB TITLE	QUALIFICATIONS	FUTURE JOB TITLE	QUALIFICATIONS	EXPERIENCE
Mining Manager		Mine manager's certificate of competency			± 3 years management experience in open cast mining and people leadership skills
Supervisor		Grade 12			- ± 3 years experience in open cast mining and people leadership skills
Vehicle Garage Foreman		N3 - Mechanical (Trade Test)			Heavy duty mobile equipment and workshop management. People leadership ± 3 - 5 years
Garage Handyman		Grade 12			No experience required
Mobile Equip. Operators		Grade 12 with a valid EC license			No experience required

## **6. The Mentorship Plan and its implementation in line with the Skills Development Plan and the needs of empowerment groups**

### **6.1. Preamble**

Tja Naledi future mentorship plans will be in line with the company policy. The plans will be structured to be in line with the mine's Skills Development Plan and the needs of empowerment groups. Mentorship is a key process and tool in support of people development, equity, HR planning, and performance management in Tja Naledi . In addition, mentorship programmes will support Tja Naledi career and succession management system, providing for a transfer of knowledge and work and life experiences under the formal or informal guidance of suitable individuals and competent role models who act as mentors. The mentorship policy will provide a standardised approach and application guideline for mentoring, mainly in respect of:

- a) Young professionals (diplomats and graduates);
- b) Identified employees, with specific focus on HDSA's; and
- c) BEE shareholders that request mentorship support from Tja Naledi

### **6.2. Employee mentorship programmes**

As a background, Tja Naledi regards a mentor as an individual, who will facilitate the transfer of knowledge and experience based on shared values in confidence through networking, advising, coaching, directing and counselling. The mentor will guide the protégé in reaching his or her full potential. Tja Naledi will provide mentorship plans for all future identified HDSA employees for as long as they are on the programme. The plans will be reviewed biannually to determine progress and further assistance required. The implementation of this programme will be aligned with the Skills Development Plan and will meet the specific needs of employees.

#### **Implementing a formal mentorship policy at Tja Naledi Beafase Investment Holdings (Pty) Ltd**

A pool of future employees with potential for further development will be identified and suitable mentorship programmes have already been implemented. The protégés will be mentored by suitable employees who are proficient in the competencies needed to be mastered by the protégés. The following future mentorship programmes have been identified and will commence once the mining right has been issued and further appointments are made. The mentoring is fairly informal and will progress will depend on the individual mentor and the mentee's ability.

**Front end loader operation**

Discipline	2015	2016	2017	2018	2019	2020
Senior Front end loader operator	Junior Front End Operator mentored by Senior Front loader operator	Junior Front End Operator mentored by Senior Front loader operator	Junior Front End Operator mentored by Senior Front end loader operator	Junior Front End Operator mentored by Senior Front end loader operator	Junior Front End Operator mentored by Senior Front end loader operator	Junior Front End Operator mentored by Senior Front end loader operator
Front end loader superintendent			Senior Front end loader operator mentored by Front end loader superintendent	Senior Front end loader operator mentored by Front end loader superintendent	Senior Front end loader operator mentored by Front end loader superintendent	Senior Front end loader operator mentored by Front end loader superintendent

**6.3. HDSA Empowerment partners and mentorship programmes**

In line with enterprise development initiatives, shareholders will be mentored on business skills by accredited training providers identified by Tja Naledi Beafase Investment Holdings (Pty) Ltd.

## 7. The Internship and Bursary Plan

### 7.1. Bursary Plan

From 2016, Tja Naledi will be implementing a bursary programme. The programme will benefit approximately 1 student. Preference will be given to HDSA candidates who meet the criteria set out in the policy. The programme will be guided by a Company Bursary Policy and its implementation will be in line with the Skills Development Plan. The focus is currently on studies relating to mining management, engineering, production and chemistry qualifications and is based on the company's needs as well as addressing employment equity requirements, across Tja Naledi. In line with company policy, Tja Naledi plans to offer a bursary to one (1) candidate every four years to study mining related qualification commencing from 2016. Special focus will be on women and the priority study direction is mining.

Table 10: Planned bursaries offered

Study Direction	2015	2016	2017	2018	2019
Engineering		1	1	1	1
Planned Expenditure		R 30 000	R 30 000	R 30 000	R 30 000

### 7.2. Internships

Tja Naledi will implement a internship program in cooperation with Tertiary institutions and the Mining Qualification Authority (MQA). The bursar will be expected to serve the internship at the Tja Naledi operation for a period of not less than 6 weeks in each year that the bursary is awarded. This will allow future candidates to gain the necessary functional skills on their chosen mining related discipline.

We will offer internships to technical training college students in the Vaal Triangle area. The six month practical training per year as required for an artisan qualification can be completed at Tja Naledi. To retain expertise we will require that the period worked in practical training must be worked back to Tja Naledi once the students are qualified. Please see the table below

Discipline	2016	2017	2018	2019	2020	2021
Engineering	Practical 1 Six months	Practical 2 Six months	Practical 3 Six months			
Planned Expenditure				Practical 1 Six months	Practical 2 Six months	Practical 3 Six months

### **7.3. Further Education and Training (FET)**

Tja Naledi recognises the importance of providing its future employees with the opportunity and means to develop their skills and performance to optimum levels. The company further believes that this future development will not only encourage personal growth but also contribute to better productivity and customer service that will ensure that Tja Naledi 's vision of expansion and growth is attained. To this end, Tja Naledi commits itself to:

- Encouraging future employees with potential to develop their skills and achieve a better education;
- Providing skills development and educational opportunities to future employees; and
- Ensuring that future employees with potential are developed to achieve the succession planning criteria.

### **7.4. Practice**

To achieve the above, the following will be required:

- a) The commitment and involvement of future top management to the development of the potential of employees;
- b) The communication and implementation of this commitment by future top management to immediate subordinates;
- c) The acceptance and commitment by future line management and future employees of their various responsibilities towards their development and advancement;
- d) An integrated training and development strategy that provides opportunities for future high potential employees to realise their potential and contribute to the growth of the company;
- e) Identification of training and development opportunities by future line management in conjunction with the support functions, to which future employees with potential can be exposed;
- f) Achieving optimum training and development results within the constraints of budgets and production requirements; and
- g) Ensuring that the benefits of training and development are ploughed back into the company through guidance, advice, exposure and the honouring of study agreements.

### **7.5. Control**

Future line management and the various future employees, in conjunction with the future HR function, will evaluate training completed as well as development still required, on an annual basis. Further future training and development will be identified through one-on-one performance reviews which are conducted every quarter.

## 8. Employment Equity: Statistics

Table 11: Employment Equity Statistics for Tja Naledi, as at 23 April 2014 per form @ in Annexure of the MPRDA

OCCUPATION CATEGORIES	MALES				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									0
Senior Management									0
Professionally qualified & experienced specialists and middle management									0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents									0
Semi-skilled and discretionary decision making									0
Unskilled and defined decision making					1				1
TOTAL PERMANENT					1				1
Non-permanent employees									
TOTAL	0	0	0	0	1	0	0	0	1



## **9. Employment Equity: Women's participation in Tja Naledi Beafase Investment Holdings (Pty) Ltd**

### **9.1. Preamble**

Historically, mining has been considered as a demanding physical activity that has traditionally been exclusively for males. However, due to the advancement of technology, and the changing economic landscape, women are increasingly participating in mining activities. This has resulted in more employment opportunities in the mining sector. Tja Naledi intends on making women participation a key focus area in their Gender Equity programme.

### **9.2. Statement of intent**

Tja Naledi is committed to the socio-economic empowerment of people who were previously disadvantaged and believes that Gender Equity is critical to economic growth and wealth creation in South Africa. Furthermore, the company recognizes that sustainable business performance relies largely on the effective and equitable utilization of human resources. In accordance with Government's policy, Tja Naledi will take specific measures to apply social fairness in its employment practices. It will recruit and develop employees from historically disadvantaged groups who can play a significant role in the mine's future success. Particular attention will therefore be paid to the employment of persons from socially, economically and educationally disadvantaged families. Furthermore, appropriate steps will be taken to ensure that all employees and job applicants are advised of the company's policy of non-discrimination and active elimination of discrimination. **However, no employee of the company will have their employment terminated solely to further the Tja Naledi's Employment Equity plan.**

### **9.3. Strategy and objectives**

The strategy is to increase women participation through the various interventions as indicated in the implementation plan below. There are currently 4 women planned to occupy the following positions in future:

- Admin Manager (1)
- Cleaner (1)
- Senior Accounts Clerk (1)
- Front End Loader operator (1)

Table 12: Targets for future Female Participation in Mining at Tja Naledi Beafase Investment Holdings (Pty) Ltd

Position admin	2015	2016	Forecast		
			2017	2018	2019
Senior	1	1	1	1	1
Junior	1	2	2	2	2
Semi-skilled	1	1	1	1	1
Unskilled	1	1	1	1	1
Women's participations	4	5	5	5	5
% Women's participations	80%	100%	100%	100%	100%
Total Tja Naledi Admin					
Position Mining	2015	2016	2017	2018	2019
Senior	0	0	0	0	1
Junior	0	0	0	1	1
Semi-skilled	2	2	3	3	3
Unskilled	0	1	1	1	1
Women's participations	2	3	4	5	6
% Women's participations	14%	21%	28%	36%	43%
Total Tja Naledi Admin	14	14	14	14	14

## 9.4. Implementation plan

### 9.4.1. External recruitment

Tja Naledi will develop a recruitment strategy to attract qualified women to fill senior positions in future.

### 9.4.2. Encouraging and motivating women to enter mining professions at Tja Naledi Beafase Investment Holdings (Pty) Ltd

The historical systemic exclusion of women from participation in the mining industry has meant that females were poorly represented in this sector. Tja Naledi will apply considerable effort to enhance women's participation in all levels of the mine. Tja Naledi will develop a number of strategies to enhance female representation. These efforts will include:

- Identifying more positions in the mine that women could fill in future;
- Creating an enabling an environment for empowering women; and
- Management and leadership training

### **9.4.3 Internal succession and promotion of women**

The development of female representation in the workforce will be supported through a strategic and targeted internal succession and promotions plan. Management will utilize the future skills base for the empowerment of current female HDSA's.

### **9.4.4 Developing the existing female workforce**

The South African labour market does not produce sufficient skilled workers for the mining industry. It will be prudent and necessary for stakeholders to address this skills' gap in part by focusing on women in mining. Tja Naledi will address the skills gaps for women involved in mining activities by interfacing with statutory bodies such as the MQA to formulate comprehensive skills development strategies. In addition, the company will encourage ongoing communication with education authorities such as the MQA to provide skills training opportunities to women during their employment in order to improve the alignment of their skills with the mine's needs.

#### **9.4.1. A safe working environment for pregnant women working on the mine**

In line with the Basic Conditions of Employment Act, Tja Naledi will ensure that pregnant women are not adversely affected by dangerous conditions inherent in their work environment, and will identify positions and working areas on and around the mine site that are not hazardous to pregnant or breastfeeding women.

## 10. Employment Equity: HDSA participation in management

### 10.1. Preamble

Tja Naledi's Employment Equity policy is an integral part of the Company's commitment to building an effective and representative workforce and to ensuring equality for all employees. The company will enhance its Employment Equity vision through attracting high-calibre staff, encouraging development through provision of high-quality education and retaining talent. Particular effort will be directed at identifying HDSA's with talent and providing accelerated training and development initiatives to assist their progression. Tja Naledi is committed to the imperative of providing fair opportunity to all employees and believes that:

- a) Where properly and sensitively managed, cultural diversity is a competitive advantage; and
- b) Employment Equity policies must be put into effect while also ensuring that the level of human resources maintains the company's competitive edge.

The challenge for Tja Naledi is to strike a good and generally acceptable balance between employing people with the obvious skills needed to run the business, while investing in unlocking the potential of those people who have been historically disadvantaged. Tja Naledi uses the Peromnes evaluation method to classify jobs (Table 13).

Table 13: TJA NALEDI BEAFASE INVESTMENT HOLDINGS (PTY) LTD Peromnes Grade Correlation Table

EE LEVELS		TJA NALEDI BEAFASE INVESTMENT HOLDINGS (PTY) LTD	EE ACT
Level	Description	Peromnes Grades	Peromnes Grades
1	Top Management (Governing Body)	1 & 2	1++, 1+ 2
2	Senior Management	2 & 3	1,2 & 3 3
3	Professionally qualified, experienced specialists & mid management, Specialists & Associated Professionals	4 - 7	4, 5 & 6
4	Skilled technical and academically qualified workers, junior management, supervisors, foremen, superintendents	8, 9, 10, 11,12	7, 8, 9, 10, 11,12
5	Semi-skilled & Discretionary Decision Making	13,14, 15& 16	13,14, 15& 16
6	Unskilled & defined decision making	17 & 18	17 & 18

## **10.2. Statement of intent**

Employment Equity is an essential element of Tja Naledi's human resources strategy, which aims to attract, develop and retain future talent. Tja Naledi Beafase Investment Holdings (Pty) Ltd- Social and Labour Plan. (Revision 3) 35 of 69 1

## **10.3. Strategy and objectives**

Tja Naledi's current structure at operational level comprises just one position at Peromnes Grade 16. Tja Naledi has developed three main strategies to ensure that the proposed 2014 Employment Equity target is realistic and achievable by:

- Developing existing employees with potential;
- Recruiting externally for qualified staff and trainees in future; and
- These strategies will ensure that, by the end of 2016, Tja Naledi will have identified and trained suitable HDSA candidates to assume management roles at its mine so that there is a 40% representation of HDSA's in management across its operation.

## **10.4. Implementation plan**

Tja Naledi will in future implement an Employment Equity policy at operational level by:

- Forming a steering committee to develop recommendations and to consult with stakeholders;
- Taking all reasonable steps to consult on Employment Equity and Affirmative Action plans within the steering committee and management report-back sessions;
- Discussing the Company's Employment Equity policy and Code of Conduct in all future employee induction programmes;
- Communicating the company's progress with its implementation of the Affirmative Action policy to all non-management employees to inform future employees how they can make use of programme benefits; and
- Providing additional training on the relevant legislation to management and other future employees engaged in recruitment, selection and transfer decisions.

### **10.4.1. Role of the future**

Employment Equity Committee The future Employment Equity committee will have the responsibility for:

- Identifying Employment Equity and Affirmative Action challenges facing the operation;
- Co-ordinating the establishment of goals and mechanisms for monitoring and reporting on Affirmative Action progress;
- Investigating any charges of discrimination and reporting findings to the company's Employment Equity Committee;
- Promoting discussions on Affirmative Action programmes and problems; and
- Co-ordinating the analysis of Employment Equity assessments and reporting documentation.

#### **10.4.2. Recruitment procedures**

Tja Naledi will ensure that all future recruitment sources used by the company will be notified of the company's preference to recruit more quality candidates from among designated groups.

#### **10.4.3. Developing and fast-tracking of identified potential HDSA candidates**

In order for Tja Naledi to reach its targets for future HDSA management positions, it is of crucial operational importance that future HDSA candidates are suitably qualified for the positions to which Tja Naledi Beafase Investment Holdings (Pty) Ltd- Social and Labour Plan. (Revision 3) 36 of 69 they are appointed. A comprehensive education, training and development strategy is one of the critical success factors for achieving the objectives of any HDSA fast-tracking training plan. The interventions will focus on building skills and competencies internally as far as possible. In addition, implementing an effective training strategy that meets both the company's and the individual's goals will play a significant role in staff retention. Tja Naledi is committed to a proactive succession planning strategy<sup>2</sup>. The company believes that succession planning is a vehicle to ensure it has the core competencies it requires to meet its business objectives and sustain excellent performance. More than that, succession planning has to be coupled with change management, to become a tool to use in meeting Employment Equity and skills development targets.

#### **10.4.4. Succession planning**

In pursuance of the future development of high-potential HDSA employees, the future development of the succession planning strategy at Tja Naledi will involve the following:

- A review of the mines future structure to determine critical positions for succession planning;
- Awareness-creation to establish organizational readiness for succession planning processes;
- Conducting of a comprehensive future job analysis and competency profile for each identified succession position;
- Development and implementation of a retention strategy for high-potential future employees.

#### **10.4.5. Providing training and development for HDSA candidates**

All current and future employees, especially members of designated groups, will be encouraged to participate in voluntary programmes that increase their skills and knowledge. The study assistance is open to all employees. Managers involved in the development of high-potential employees will ensure the upward mobility and growth of all suitably qualified employees, with due emphasis being placed on the promotion of designated employees. Tja Naledi emphasizes the importance of the development of individual development plans and ensuring that high potential employees are placed on mentorship and coaching programmes as well as on the succession planning lists.

#### **10.4.6. Internal succession and promotion**

Future promotions and transfers will be carried out without regard to race, sex, colour, creed, age, national origin or disability, or any other discriminatory category. Exceptions may occur that fall within the implementation of the company's Employment Equity initiatives, after due consideration of the inherent requirements of the position. Succession planning is defined as formal and proactive planning for the future development of talent in line with the company's business strategy.

## **Regulation 46(c) Local Economic Development Programmes**

### Overview of Regulation 46 (c)

Regulation 46 (c) of the MPRDA requires that Tja Naledi outlines strategies and policies for Local Economic Development (LED).

Sections (i) and (ii) (a) require information on the social and economic background of the area in which Tja Naledi operates. This background information will provide the context for the next sections. Section (ii) (b) requires information on the impact that Tja Naledi has on the mine community. The information supplied in this plan looks at the broader economic impact of procurement by the mine.

Section (iii) of the regulation requires details of the infrastructure and poverty eradication projects that Tja Naledi supports in line with the Integrated Development Plans (IDP) of the area in which the mine operates, as well as the major labour-sending areas.

Section (iv) requires information on the housing and living conditions of the mine's employees. The emphasis of Tja Naledi's activities in this regard is on helping create sustainable communities.

Section (v) deals with measures to address the nutrition and health of the mine employees.

Section (vi) of the regulation requires information on the future procurement progression plan and its implementation for HDSA companies in terms of capital goods, services and consumables and the completion of Form T.



# 11. The social and economic background to and key economic activities in the area in which Tja Naledi Beafase Investment Holdings (Pty) Ltd operates

Tja Naledi Beafase Investment Holdings (Pty) Ltd has the Ngwathe Local Municipality (Parys) as its main labour sending area. Due to the size of the Tja Naledi operation, the company's mining activities have an insignificant socio-economic impact on this area.

## 11.1. Introduction

The Free State Province is situated between the Orange and Vaal Rivers. Bloemfontein is the capital city. It is a province of great contrasts from Highveld Grassland and Kalahari Sandveld country to majestic mountains, wilderness areas and farming land. The Free State Province is a strongly rural province. The provincial government's growth strategy is focused on addressing infrastructure backlogs, poverty alleviation and social development. The Free State is the third-largest province in South Africa. However, it has the second-smallest population and the second-lowest population density. The province is favourably situated for economic co-operation with other parts of southern Africa as it shares a border with Lesotho. The Free State Province is divided into five District Municipalities and these are:-

- The Xhariep District
- The Motheo District
- The Lejweleputswa District
- The Thabu Mofutsanyane District
- The Fezile Dabi District

### 11.1.1. Fezile Dabi District Municipality

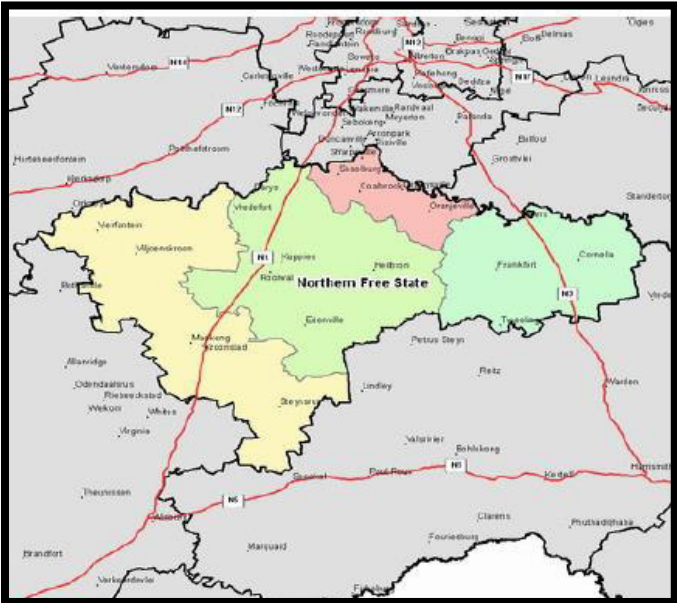


Figure 3: Fezile Dabi District Municipality Location

This district is an important agricultural production area, particularly for maize, and is known as the grain basket of South Africa. The Vaal Dam is the main source of water for Gauteng, and offers a wide profile of sport and leisure facilities. The district also has other attractions such as the Vredefort Dome, which is the third largest meteorite site in the world (200km in diameter), and various San paintings. The most important towns are Sasolburg and Kroonstad. Sasolburg has significant strategic importance for South Africa, as it is the location of large chemical and synthetic fuel plants (i.e. the Sasol plant). Kroonstad is an important agricultural and administrative centre in the district.

Fezile Dabi District Municipality (DC20) is situated within the northern portion of Free State Province. The service focal points in the district are the major towns of Kroonstad, Parys and Sasolburg. It consists of 4 Local Municipalities. The geographical area of the province is 21301.006 square kilometres. The District Municipality borders Mpumalanga Province in the east, North-West Province in the west and Gauteng Province in the north. Commercial agriculture is an integral part of this part of the province, and cattle ranching and maize farming are very popular. Various chemical industries such as SASOL and its associated industries are found in this region. The provinces largest coal mines are also found in this district. The following Local Municipalities are found within the area of the Fezile Dabi District Municipality:

- Mqohaka Municipality
- Ngwathe Municipality
- Metsimaholo Municipality
- Mafube Municipality

Tja Naledi Beafase Investment Holdings (Pty) Ltd operation is located within Ward 6 of the Ngwathe Local Municipality.

### **11.1.2. Ngwathe Local Municipality**

Ngwathe Local Municipality is situated in the northern part of the FezileDabi District Municipality, in the northern part of the Free State Province. It is composed of 5 towns, namely: Parys, Vredefort, Heilbron, Koppies and Edenville town areas as well as the rural areas as demarcated by the Demarcation Board of South Africa and is further divided into 19 wards. Parys is named after the French capital city Paris due to its proximity to a large river (Vaal River). The Ngwathe local Municipality has a growth rate of 0.4%.

## **11.2. Economy**

In 2011, the provincial economy was 5.5% of National Gross Domestic Product (GDP). This relates to a regional GDP of R 145 405 million per annum. The focus for the Provincial Government, in conjunction with its partners, has two main elements - development and growth.

- Development involves meeting basic needs, tackling poverty, opening up access to opportunity and redistributing wealth among the people and communities of our province.

- Growth entails providing a competitive and entrepreneurial environment by maximising our physical, economic and human resources to attract and grow business and investment.

### 11.2.1. Fezile Dabi District Municipality

Within the Fezile Dabi District, the most important mining town is Sasolburg. Mining and Chemical industries are the primary economic activities in the region and as such, is the largest contributor to the Province's GDP. A far greater portion of the land is used for agriculture.

### 11.3. Population and languages

The 2011 Census recorded the population of the Free state Province at 2.745 million which represented 5.3% of the total population. The estimated growth rate of 1.7% per annum and the population density are the second lowest among the provinces. The most popular home languages of the province include Sesotho 64.2%, Afrikaans 12.72%, IsiXhosa 7524%. Population figures according to race:

Table 14: Population groups in Free state Province

Population group	People	Percentage
Black African	2405533	87.61%
White	239026	8.71%
Coloured	83844	3.05%
Indian or Asian	10398	0.38%
Other	6790	0.25%

Table 15: The gender breakdown is as follows (2011 Census)

Gender	People	Percentage
Female	1416623	51.60%
Male	1328967	48.40%

Table 16: The detailed language breakdown for the province is as follows (Census 2011).

First language	People	Percentage
Sesotho	316408	67.32%
Afrikaans	64990	13.83%
isiXhosa	28036	5.96%
isiZulu	26497	5.64%
English	11759	2.50%
Sign language	6695	1.42%
Setswana	4797	1.02%
Sepedi	2986	0.72%
isiNdebele	1640	0.64%
Xitsonga	1427	0.30%
Tshivenda	842	0.18%
SiSwati	570	0.12%
Not applicable	18022	

### 11.3.1. Fezile Dabi District Municipality

According to Census 2011, the Fezile Dabi District Municipality has a population of 460 276 with 75.4% being in rural areas. Of the total population, 68% speak Sesotho and 13.56% speak Afrikaans. Black Africans make up 85.71% of the population and Whites constitute only 12.19%.

### 11.3.2. Ngwathe Local Municipality

Ngwathe Local Municipality has 120520 people in its boundaries. Black Africans make up 86.5% of the population with the White people making up 10.3% as the second largest ethnic group.

Table 17: Population Groups

Population group	Percentage
Black African	86,5%
White	10,3%
Coloured	2.6%
Indian or Asian	0.3%
Other	0.3%

Table 18: Ethnic and language diversity of the Ngwathe Local Municipality.

First language	Percentage
Sesotho	67,8%
Afrikaans	13,2%
isiXhosa	8,4%
isiZulu	3,4%
English	1,9%
Sign language	1,5%
Setswana	1%
Sepedi	0,2%
isiNdebele	0,3%
Xitsonga	0,2%
Tshivenda	0,1%
SiSwati	0,1%
Other	0.80%
Not applicable	1,2%

#### 11.4. Education and employment

Education Attainment - The 2011 October Household Survey demonstrated a distinct pattern of educational attainment by race and gender in the Free State, the direct result of the apartheid-based education systems of the past. Occupation types and numbers are as follows (Census 2011):

##### 11.4.1. Fezile Dabi District Municipality

The District Municipality is also faced with the high levels of illiteracy and innumeracy. Census 2001 indicates that 13.77% of the population haven't had any schooling. Only 6.32% have higher education. These low levels of education are experienced within the female population. This is translated into 40.37% of the available workforce being economically inactive, 35% being employed and 24.58% being unemployed. Most of the males have employment in craft and related trades industries, as machine operators and assemblers and in elementary occupations. Almost all the women have employment in elementary occupations.

### 11.4.2. Ngwathe Local Municipality

According to Census 2011 (Tables 16, 17), 12.4% of the population within the Local Municipality have Grade 12 or higher education. On the other side of the spectrum, 3.3% of the population within the Local Municipality haven't had any schooling. As in Table 17, Employment levels in the local Municipality are as follows, 34.07% are employed, 18.5% unemployed and 342.29% economically inactive. Employment sectors are mining and agricultural. Tja Naledi Beafase Investment Holdings (Pty) Ltd currently employs 1 person as at 30 April 2014.

Table 19: Ngwathe: Education Status

Group	Percentage
No Schooling	3,3%
Some Primary	44,5%
Completed Primary	6,1%
Some Secondary	32,3%
Completed Secondary	11,5%
Higher Education	0,9%
Not Applicable	1,4%

Table 20: Ngwathe: Employment Distribution Employment status

Employment status 15-64	
Employment Status	Number
Employed	25635
Unemployed	13920
Discouraged Work Seeker	3865
Not Economically Active	31823

### 11.5. Dwellings

Bloemfontein, in the Central Free State, is the provincial capital and judicial capital of South Africa. Other major towns and cities are Bethlehem, Harrismith (in the Eastern Free State), Kroonstad, Sasolburg (in the Northern Free State) and Welkom (in the Goldfields).

The official and functional rates of urbanization are 54% and 74% respectively, a situation that is placing great strain on the built form and infrastructure of the Province's urban settlements. In common with the rest of the country, the Free State's urban settlements are characterized by spatial distortions according to race and class, urban sprawl, inefficient transport, land market inefficiency, informal settlements, and the concentration of the poor in relatively high density peripheral areas.

In many ways, economic success depends on urban success. More efficient and sustainable urban settlements are crucial to Government strategies for growth, poverty alleviation and the creation of a more equitable society. The challenge to the Free State Government is to support and assist municipalities in strengthening urban economies and overcoming apartheid-based dysfunctional structures. Opportunities exist to build on the identified areas of growth potential, and to initiate focused corridor-type developments.

### 11.5.1. Fezile Dabi District Municipality

Dwelling statistics indicate that 70% of the population lives in houses or some form of brick structure. Only 17% live in informal settlements.

### 11.5.2. Ngwathe Local Municipality

Of the total population, 74% in Ward 6 live in some form of formal structure. On the Municipality scale, 33% of the population live in informal settlements, mostly in shacks.

Table 21: Tenure Status

Tenure status	
Tenure Status	Percentage
Rented	17,6%
Owned and fully paid off	60,1%
Owned but not yet paid off	6,2%
Occupied rent free	12,8%
Other	Other 3,3%

Table 22: Settlement Types

Settlement type	
Area	Percentage
Urban	91,5%
Tribal/Traditional	0%
Farm	8,5%

### 11.6. Energy and water sources

The main energy sources for cooking include electricity, paraffin and wood. Electricity is by far the most widely used form of energy. Sources of water supply include piped water in dwelling, piped water inside the yard and piped water on a community stand. Other sources include boreholes, spring water, dam's pools, and rivers and streams.

### 11.6.1. Fezile Dabi District Municipality

Electricity and gas are the most common forms of energy used for heating and cooking purposes. 80% of the population have access to electricity whilst 17% uses candles for lighting. About 15% of the population has piped water in their dwellings. About 90% of the regional population has access to piped water.

### 11.6.2. Ngwathe Local Municipality

Services Access to clean drinking water, together with effective sanitation services and refuse removal, are generally accepted as basic services and of critical importance to all communities. According to the 2011 census, most of the residents have access to either piped water in their homes, or to distances greater than 200m from their dwellings. Key statistics are listed below.

Table 23: Sources of water

Source of water	Percentage
Regional/Local water scheme (operated by municipality or other water services provider)	88,4%
Borehole	8,2%
Spring	0,1%
Rain water tank	0,6%
Dam/Pool/Stagnant water	0,1%
River/Stream	0,4%
Other	0,8%

Table 24: Household Goods

Household goods		
Item	Yes	No
Cellphone	87%	13%
Computer	14,8%	85,2%
Television	80,2%	19,8%
Radio	76,6%	23,4%
Landline / Telephone	10,7%	89,3%
Motor Car	24,7%	75,3%
Refrigerator	75,7%	24,3%
Electric / Gas-Stove	87,5%	12,5%



Table 25: Energy Sources

Energy source for cooking			
Energy Source	Cooking	Heating	Lighting
Electricity	88,1%	69,3%	92%
Gas	Gas 2,4%	2,6%	0,1%
Paraffin	5,2%	2,7%	0,5%
Solar	0,2%	0,2%	0,4%
Candles	0%	0%	6,7%
Wood	2,5%	6,1%	0%
Coal	0,9%	8%	0%
Animal Dung	0,4%	0,6%	0%
Other	0,1%	0%	0%
None	0,3%	10,6%	0,2%

## 11.7. Telephones and selected household goods

A large section of the population communicates via public telephones, while the use of cell phones is gaining rapidly in popularity. The most popular household goods include radios and televisions while just fewer than 40% of households have refrigerators. Toilets Toilet facilities vary greatly in the province from flush toilets to Pit latrines. About 23% of the population have no access to toilet facilities. A detailed breakdown of access to the various types of sanitation is as follows:

### 11.7.1. Fezile Dabi District Municipality

About 42% of the population has access to a public telephone nearby. Land based and cellular telephones are available to 38% of the regional population. Radio seems to be the most popular medium used followed by television. Toilets Census 2001 shows that 11% of the population uses pit latrines without ventilation and 62% having flushing toilets.

### 11.7.2. Ngwathe Local Municipality

Table 26: Access to internet

Access to the internet	
Access	Percentage
From Home	5,1%
From Cellphone	15,1%
From Work	2,1%
From Elsewhere	5,1%
No Access	72,7%

## 11.8. Refuse removal

Solid waste production in the Free State comprises industrial, domestic and hazardous waste. The Free State Government maintains an overview on the adequacy of existing infrastructure, including mining dumps, availability of landfill sites, number of households with access to adequate waste disposal facilities, and subsequent health and hygiene issues.

### 11.8.1. Fezile Dabi District Municipality

The refuse removal statistics support the toilet statistics in that 62 percent of the population have weekly refuse removal and 20% of the population have their own refuse dump.

### 11.8.2. Ngwathe Local Municipality

Table 27: Refuse disposal

Refuse disposal	
Refuse Disposal	Percentage
Removed by local authority/private company at least once a week	81,9%
Removed by local authority/private company less often	2,6%
Communal refuse dump	1,3%
Own refuse dump	10,6%
No rubbish disposal	3%
Other	0,6%

## 11.9. Agriculture

The Free State is the agricultural powerhouse of South Africa. Commercial agricultural production contributed 14,7% of the total agricultural sector in the RSA. Agriculture creates more jobs per R1 million value added than any other sector of the economy. This sector has also recorded the highest level of increase in export earnings since 1993. The figure of 74,4% is outstanding by all standards if it is borne in mind that the manufacturing sector was the closest rival at only 23,4%. Despite its impressive share in the national agricultural economy, the agricultural sector remains highly dualistic: the large farm sector comprising 9 500 large scale commercial farmers controls 98.2% of the land and accounts for nearly all the marketed output. Although agriculture is a major employer, accounting for 14% of the labour force, access to agricultural resources (land, water, services) remains inequitable.

### **11.11. Small scale Farming**

Small scale farmers produce mainly for subsistence with the exception of a few cases of small and medium sized farms owned by emerging farmers. There is definitely potential for expansion, but particular problems exist in developing this sector due to land availability and availability of credit.

### **11.12. Mining Industry**

Gold mining has suffered in the Free State due to the downturn in the gold price, industry restructuring and difficult geological conditions. It is estimated that from 1997 to 1998 jobs in the mining industry in the Goldfields have gone down by approximately 25% in direct mining and around 50% in indirect mining. Due to its labour intensity and vulnerable employment structure, the Goldfields area has borne the brunt of the impact. However, these job losses also have a ripple effect on other regions because some of the miners being retrenched are in fact migrant labourers. Opportunities do exist to strengthen this sector across the province. These include: promoting small scale mining projects achieving greater value added to production via beneficiation of raw materials output establishing new international markets for gold and other minerals Manufacturing

## **12. The socio-economic impact of Tja Naledi Beafase Investment Holdings (Pty) Ltd on the mine community**

### **12.1. Wage Impact**

Due to its small size Tja Naledi (does not contribute in such a big way to the broader mine community, but the local municipality benefits from salaries spent in the area.

### **12.2. Broader economic impact of Tja Naledi Beafase Investment Holdings (Pty) Ltd**

#### **12.2.1. Education**

Employees will be sponsored to attend future ABET classes.

#### **12.2.2. Transport**

Tja Naledi will continue to sponsor the transport costs of its future workers.

#### **12.2.3. Health**

Tja Naledi will continue educating and training the future employees at the mine.

#### **12.2.4. Art, Sport & Recreation**

Tja Naledi will identify future projects to support in the area. Infrastructure and poverty eradication projects

### **12.3. Preamble**

The contribution that Tja Naledi makes towards infrastructure provision and poverty eradication within the mine community is a function of the mine's Social Investment Programme. These programmes impact on the Local Economic Development (LED) programme for the Province. These programmes will be, in turn, closely aligned with the Integrated Development Plans (IDP) of the Ngwathe Local Municipality.

As per the Key Statistics table in Section 1 of this Social and Labour Plan, Tja Naledi will be paying a royalty to the Department of Mineral Regulation in Welkom. It is understood that the intention of this royalty is to make funds available for the development of amenities such as schools and community projects within the local area surrounding the mine.

Tja Naledi have liaised with the municipality and has been added to the Local authorities IDP list. We are currently negotiating with the IDP officer of Ngwate to find suitable projects to support to the maximum benefit of the community.

## **12.4. Local Economic Development (LED)**

### **12.4.1. Tja Naledi Beafase Investment Holdings (Pty) Ltd's LED programme**

Tja Naledi Beafase Investment Holdings (Pty) Ltd's LED programme will focus on sustainable development as a means to underpin economic empowerment. The core tenet underlying the programme will be social stability. The aim of Tja Naledi 's LED policy, will be to ensure that the mine's efforts and expenditure in social investment are effectively co-ordinated and managed to the best advantage of the mine's stakeholders. The programme will concentrate on building partnerships in which stakeholders commit jointly to projects that are mutually beneficial and add value to the municipality and communities in which the programme operates. This will require an on-going process of consultation with communities and government.

### **12.4.2. Strategic objectives of Tja Naledi Beafase Investment Holdings (Pty) Ltd's LED Programme**

The commitment to sustainable development will be to use the mine's expertise and business skills to:

- Support socio-economic development in the mine community;
- Align the mine's LED programmes with the local IDP of the Ngwathe Municipality;
- Develop meaningful and sustainable partnerships with the communities;
- Support the enlargement of the future human resources skills pool;
- Contribute towards social stability in the mine community;
- Create a positive reputation for Tja Naledi as a socially aligned operator; and
- Develop partnerships with relevant stakeholders that are mutually beneficial and add value to the expected outcomes of the LED programme.

Over and above the royalty payment to the Provincial DMR which is intended for the development of amenities such as schools and community projects within the local area surrounding the mine, the mine will develop its own LED programme that will specifically focus on the mine community and communities from which Tja Naledi Beafase Investment Holdings (Pty) Ltd draws its future labour.

### **12.4.3. Tja Naledi Beafase Investment Holdings (Pty) Ltd LED Programmes & Initiatives include:**

Tja Naledi will actively develop business opportunities via the Ngwathe IDP. In line with the National Development Programme, Tja Naledi has offered financial assistance to the Flavius Mareka FET College in Sasolburg to the amount of R50 000 per year in order to help promising students to become engineers and acquire new equipment for the faculty. This amount will be available every year for a period of 5 years after which it will be reviewed by the DMR. Please see the attached letter of commitment to the College.

### **12.4.3. Co-operation with municipal IDP programmes**

Tja Naledi have liaised with the Ngwathe Local Authority's IDP officer to find projects that can supported by the mining project. This process is still ongoing since the municipality's IDP is still in draft. We aim to find a mutually beneficial project and will amend this SLP in due course to reflect the project. In the mean time the bursary plan for the local FET college will continue. .

## **13. Measures to address housing & living conditions of Tja Naledi Employees**

### **13.1. Statement of intent**

Housing issues in the South African context are complex, particularly due to historical problems related to poor planning, uncontrolled urbanization, tribal and land issues, and views on property ownership

### **13.2. Strategy and objectives**

Current and future employees will receive a housing subsidy to ensure home ownership.

### **13.3. Implementation plan for employee housing**

Due to the fact that our single current employee does not live in a shack or a squatter camp, we have decided to pay all current and future employees a housing allowance that starts of with 10% of their salary and it increases to the maximum of 15% based on years of service. In other words if you just started working for Tja Naledi you will receive 10% and if you have 5 years or more service you will receive a 15% housing allowance. This will grow loyalty among employees and will retain skills in

## **14. Measures to address the nutrition and health of Tja Naledi employees**

The provision of adequate nutrition and nutrition education for current and future mine employees is an essential component of Tja Naledi 's ability to maintain a healthy, productive workforce. All future employees will be educated regularly by the contracted Clinic Sister on what foods to eat and the importance of balanced diets.

### **14.1. Tja Naledi Disease Management Programme**

Due to the small size of Tja Naledi , there is no formal clinic on site. The mine will make use of a contracted sister to provide medical services to all current and future employees. The clinic sister will provide free monthly health education to the employees on various occupational health topics such as First Aid, smoking, alcohol and drug abuse, mental health, stress management and AIDS in the workplace. All employees will undergo a compulsory medical examination as required by Mine Health and Safety Act.

#### **a) Tja Naledi 's HIV/AIDS Policy and Code of Good Practice**

Tja Naledi recognises that infection with Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) represents an urgent problem with broad social, cultural, economic, ethical and legal implications. Tja Naledi is committed to address HIV and AIDS in a pro-active, supportive and non-discriminatory manner, with the informed support and co-operation of all its employees. The same principles that govern other chronic or life threatening conditions as regards employment apply to HIV/AIDS.

Tja Naledi will communicate with and educates all current and future employees, and where appropriate facilitate the process for their families and local communities on the dangers of HIV/AIDS and ways to avoid contracting the disease, as well as the treatment required. This process will be facilitated by a contracted occupational health nurse.

#### **b) Purpose of Tja Naledi 's HIV/AIDS Policy and Code of Good Practice**

The purpose of the Tja Naledi Beafase Investment Holdings (Pty) Ltd HIV/AIDS policy and Code of Good Practice is:

- To provide clarity on the company's views and commitments with regard to assisting employees who may contract HIV/AIDS;
- To provide a consistent set of guidelines for managing employees with the life-threatening disease;
- To ensure the fair and consistent treatment of all employees with HIV/AIDS;
- To inform employees of their rights, responsibilities and benefits; and
- To provide an education framework with regard to the disease.

Tja Naledi undertakes to communicate the policy and code to all current and future employees and reserves the right to review and update this policy as future developments relating to HIV/AIDS may necessitate changes. The policy and code protects the rights of employees who are diagnosed HIV-positive and provides guidelines to manage HIV/AIDS at the workplace. Tja Naledi's policy and code encourages future managers and supervisors to convey sensitivity and understanding to infected employees and to treat them in a compassionate and non-discriminatory way.

### **c) Mandatory provisions**

Tja Naledi has adopted the following principles with regard to HIV/AIDS:

- Respect for the rights of employees;
- All information regarding an employee's HIV status will be kept confidential;
- Employees with HIV and AIDS will be treated with compassion and respect and in an equitable way and will not be discriminated against;
- The company will endeavour to reduce and manage the impact of HIV and AIDS on the workplace and where possible on the lives of employees and their dependants;
- The company will endeavour as far as possible to address the needs of employees and the organization in dealing with the issues which the epidemic imposes on the workplace; and
- Employees have a responsibility to participate in the education programme.

Consistent with this concern for employees with HIV and AIDS, the company will provide the following resources:

- Advice on the rights of infected employees and their colleagues as well as consultation and advice on conditions of employment and benefits, to assist employees in managing their illness from an employment point of view;
- An effective education intervention; and
- Referral to a network of professionals to provide the required support.

### **d) Recruitment**

The company is committed to fair, sound and non-discriminatory employment practices. Many factors are taken into account regarding the selection of suitable applicants. The medical criterion for employment is fitness to fulfil the job requirements.

The company will not discriminate against an employee or an applicant for employment during the recruitment and selection process, as long as the person is capable of performing the required job. Should the applicant wish to disclose their HIV status during the recruitment process, the same principles shall apply.

It is understood that certain jobs carry an additional element of risk. Whilst the company will not discriminate on the basis of the HIV status of a prospective employee, HIV status may be taken into account when considering the suitability of the prospective employee for the position concerned.



### **e) Education**

The company is committed to the prevention of new HIV infections and will implement education interventions that will enable future employees to remain HIV-negative and provide support for those who are HIV-infected. Leadership training for future supervisors, managers and shop stewards will increase management's ability to deal with the complexities of HIV-positive employees. The Company will communicate more information regarding HIV/AIDS-related issues. Initiatives will include the following:

- Fact sheets and booklets on HIV transmission, working with HIV-positive employees, employee rights and access to medication and treatment, will continue to be distributed. All employees will be targeted, including board members, future management, future trade union representatives, future first-aid workers, and members of surrounding communities;
- Volunteer peer educators, who will be the foundation of the education process, will be employed to discuss various HIV-related issues with future colleagues to bridge literacy problems. Peer educators will undergo monthly briefings and refresher training to ensure they are up to date with current information;
- New volunteer workplace peer educators will be identified, trained and deployed; and
- Condoms will be distributed on-site at the admin caravan as condom distribution is an intrinsic part of peer education and of the prevention programme.

### **14.2. Tja Naledi's HIV/AIDS interventions**

The following interventions have been planned to reduce the prevalence of HIV/AIDS. This will be done via the contacted occupational health nurse who is also an Aids counsellor:

- An HIV/AIDS awareness campaign will be embarked upon to educate all employees on the implications of the disease.
- A Peer Education Training Programme to be implemented.
- HIV/AIDS Voluntary Counselling and Testing (VCT) will be done.
- Support structures for all future employees who does test HIV positive will be put in place.
- Action plans to assist the local community with HIV/AIDS support structures are currently being considered.
- Tja Naledi plans to continue, into the future, with HIV/AIDS and nutritional needs interventions.

## **15. The Procurement Progression Plan and its implementation for HDSA companies in terms of capital goods, services and consumables**

### **15.1. Preamble**

Tja Naledi fully recognizes the role that HDSA procurement plays in creating a broader base for economic empowerment in South Africa. The mine is therefore committed to using its purchasing power to contribute towards this objective wherever this is practicable and economically realistic.

### **15.2. HDSA procurement policy statement**

Tja Naledi is fully conscious that the economic empowerment of previously disadvantaged entrepreneurs will underpin the future business of this country. Furthermore, the company believes that the active encouragement and participation of affirmative business enterprises in the formal sector will not only act as an economic stimulus but will also ensure that such growth is both robust and sustainable as a result of its broader based constituency.

Tja Naledi is therefore committed to a course of action that will facilitate access of Historically Disadvantaged South African (HDSA). Companies are to participate in mainstream procurement activities by tackling existing constraints and engaging HDSA companies.

Constraints in this regard include:

- Influencing large future suppliers to rate themselves against the BBBEE scorecard and negotiating terms and conditions when contracts are drawn up.
- Tja Naledi will participate in the LED forums of Ngwathe Local Municipality in order to identify potential HDSA companies from which to procure goods, services and consumables.

#### **15.2.1. General criteria**

The following purchasing criteria will be applied to bids:

- Where there are equal bids from different vendors, with equal strategic and cost effectiveness to Tja Naledi, the contract will be awarded to the HDSA vendor in preference to a non-HDSA vendor; and
- In the event that no HDSA organizations tender for the work, those suppliers tendering are to be encouraged to form partnerships with HDSA companies where possible.

### 15.2.2. HDSA Preferential Procurement Targets

- Since this is a new operations there is no historical discretionary spend data for the company. We are confident that through careful planning we can ensure at least 40% HDSA spend.
- • Tja Naledi intends to set its HDSA procurement targets in line with the preferential procurement target of 50% over the next ten years as stipulated in the Codes of Good Practice published by the Department of Trade and Industry (DTI).
- It is the intention of Tja Naledi to identify and conduct procurement business with local HDSA-owned companies.

Tja Naledi		2015	2016	2017	2018	2019	2020	2012	2022	2023	2024
Planned	HDSA	40	41	42	43	44	45	46	47.5	48.5	50
Spend (%)											

### 15.3. Ethical principles

Tja Naledi will subscribe to the following principles in its relationships with future suppliers:

- Tja Naledi will subscribe and adhere to a strict code of conduct in the execution of its business affairs.
- Future suppliers wishing to secure a long-term business relationship with Tja Naledi should be aware that any tactic used either overtly or covertly to exert undue or unfair influence on any of its purchasing agents will be removed from the supplier master-file thereby precluding any further business between Tja Naledi and such suppliers;
- Future employees will be required to declare any existing or potential conflict of interest that may arise as a result of any current or anticipated transactions with suppliers;
- Furthermore, future employees will be expected to report any supplier that actively encourages or engages in unethical behaviour;
- Conversely, future suppliers will likewise be expected to report any misconduct in this regard by future employees who consciously and wilfully abuse their own influence in the tendering and procurement process to Tja Naledi management; and
- Failure on the part of either entity to report such behaviour if or when encountered will be viewed by Tja Naledi as collaboration between the parties.

### 15.4. Procurement principles

The following principles will govern Tja Naledi 's procurement approach and procedures:

- The basket of services and products to be purchased by Tja Naledi will be evaluated by the shareholders and differentiated in terms of its strategic or cost significance to the company;
- Based on the classification given to a specific or generic group of products or services, the shareholders will then design an appropriate relationship strategy between itself and the respective future suppliers or providers of such products or services;
- Future vendors will be assigned an 'approved' status once a permanent vendor number has been allocated and the vendor has been formally notified;

- d) A future vendor's status may be reviewed periodically in accordance with their overall performance and the approved status may be revoked and deactivated, or alternatively upgraded to 'preferred' status, depending on the outcome of this review;
- e) An approved supplier may be deactivated if their account has been inactive for more than 12 months;
- f) Tja Naledi will at all times endeavour to source only from approved suppliers and will actively seek ways of maximising business opportunities with preferred suppliers;

## **Regulation 46(d) Process pertaining to management of downscaling and retrenchment**

### **Overview of Regulation 46 (d)**

Tja Naledi 's Social and Labour Plan is in line with the Department of Labour's Social Plan Guidelines. The Department's Social Plan is an agreement concluded at the Presidential Job Summit. It seeks to put in place three sets of measures: the first set of interventions seeks to prevent retrenchments taking place at all and the second seeks to ensure that, where retrenchments are unavoidable, they are managed humanely. The third intervention aims to ensure, where large scale retrenchments have taken place that measures are in place to assist the affected individuals and communities to find alternative forms of employment or sustainable livelihoods.

Regulation 46 (d) of the Mineral and Petroleum Resources Development Act (MPRDA) requires that mines outline strategies and policies to put these measures in place. These policies are further broken down to cover the requirements as outlined in the four sub-sections of Regulation 46 (d) (i – iv). These are the establishment of a Future Forum, the prevention of job losses, the management of job losses, and the establishment of mechanisms to ameliorate the social and economic impact where retrenchment or mine closure is unavoidable.

The first requirement is the establishment of a Future Forum to serve as a platform for affected stakeholders to deliberate on ways to prevent job losses at the mine. Secondly, this platform will deliberate with all stakeholders and find ways of implementing the most appropriate mechanisms to save jobs and avoid losses where possible. Failure to prevent job losses will lead to the third phase, where the mine will focus their efforts on addressing the effects of job losses on individual retrenched people. Phase four of this section of the Social and Labour Plan aims at establishing local economic regeneration strategies in municipalities and regions affected by large-scale retrenchments or mine closure. Tja Naledi Beafase Investment Holdings (Pty) Ltd- Social and Labour Plan. (Revision 3) 57 of 69

## **16. The establishment of the Future Forum**

### **16.1. Preamble**

The establishment of a Future Forum is required under Regulation 46 (d) (i) of the regulations of the MPRDA. This forum is a site-specific labour-management body that will focus on the implementation and monitoring of the Social and Labour Plan.

### **16.2. Strategies and objectives**

A Future Forum will be established by Tja Naledi within twelve months of the approval of its mining right, and will have the following purpose:

- a) Negotiate and take measures to avoid large-scale job losses;
- b) Ameliorate the social and economic impact of job losses;
- c) Anticipate the possibility of job losses and implement contingency plans;
- d) Give timeous warning to affected individuals to improve their chances of finding alternative employment;
- e) Discuss industry trends and challenges on an ongoing basis; and
- f) Notify the Department of Labour of plans if more than 10% of the workforce could be retrenched in one year.

The overall effectiveness of the Future Forum will arise from timeous analysis of problems because this will make it possible to explore and implement appropriate solutions in a structured manner. In addition, the Future Forum will be the liaison between the Department of Labour, Tja Naledi Beafase Investment Holdings (Pty) Ltd management and all other affected parties. Of note is that the Department of Labour will establish a Social Plan Technical Support Facility (SPTSF) to support and guide the Future Forum with technical assistance in the analysis of problems facing the mine. The services of the SPTSF will be available to the mine, worker representatives and affected communities at times of major, large-scale retrenchment.

The Future Forum will also be responsible for co-ordinating or requesting the services offered by the Department of Labour should Tja Naledi need to retrench more than 10% of its workforce. These services include:

- a) Setting up Retrenchment Response Teams competent in employment services, human resources development and the Unemployment Insurance Fund (UIF); and
- b) Forming a committee to determine the type and standard of services to be provided to the retrenched, the financial resources that are needed to cover these additional services and the extent of the resource allocation from each partner.

In addition, the Future Forum will consult with the Department of Labour over further services, on the basis of specific agreements between the department and representatives of management and workers at Tja Naledi . Funding of the services will have to be jointly agreed by the parties. The further services could include:

- a) Group and individual counselling to assist workers to deal with the emotional impact of retrenchment and to adjust to new conditions;
- b) Skills assessment and certification of prior learning to aid new employment through gaining formal, appropriate qualifications;
- c) Assessment of a worker's potential and the development of a career plan to help the worker identify options and assist in choices that need to be made between further skills training, SMME training or finding new employment;
- d) Training and retraining workers in line with the Skills Development Strategy to facilitate the channelling of retrenched workers into new jobs; and
- e) Offering a placement service.

Tja Naledi hereby commits itself to establish a Future Forum within 12 months after approval of its mining right. This Future Forum will comprise of one of the shareholders of the company and the future workers.

## **17. Mechanisms to avoid job losses and a decline in employment, and procedures that provide alternative solutions for creating job security where job losses cannot be avoided**

### **17.1. Preamble**

One of the requirements of the Future Forum is to have structures in place to facilitate the consultation processes so that Tja Naledi management and future worker representatives and recognized future trade union representatives can meet on a regular basis to discuss workplace issues. The intention is to provide a formal vehicle where all affected parties can consult and discuss challenges and possible solutions to problems facing the workplace that may have the potential to lead to large scale retrenchment in the future.

In line with the requirements of Regulations 46 (d) (ii) and (iii), Tja Naledi will develop turnaround or redeployment strategies to attempt to reduce job losses and to improve business sustainability. The two sections of these regulations have been combined as Tja Naledi's strategies to deal with these issues often overlap and are contained within the same policies.

#### **Retirement policy**

A Pension and Provident Fund will be offered to the Tja Naledi current and future employees once the mining right has BEE approved. The offer will be repeated to future employees to ensure a future provision to retired employees.

### **17.2. Strategy and objectives**

Tja Naledi has strategies in place that will enable management to introduce appropriate measures in an attempt to prevent job loss in the event of circumstances threatening guaranteed employment.

### **17.3. Measures to prevent job losses**

The most direct and appropriate intervention is for Tja Naledi to assist employees who could be retrenched in securing alternative employment. Tja Naledi has put a number of mechanisms in place to mitigate the impact of job losses in the event of a unlikely downscaling or premature closure of the mine.

Certain processes will be followed when prevailing economic conditions cause the profit-to-revenue ratio of Tja Naledi to drop below 6% (six percent) on average for a continuous period of 12 months. These processes will include:

- a) Consultations in terms of Section 52 (1) of the MPRDA;
- b) The implementation of Section 189 of the Labour Relations Act, 1995;
- c) Notifying the Minerals and Mining Development Board in terms of Section 52 (1) (a) of the MPRDA;



- d) Notifying both the Minister of Mineral Regulation and the Minister of Labour; Compliance with the Minister of Mineral Regulation's directive and the informing of the Minister about the corrective measures that have been taken;
- e) The verification of reports from the mine with regard to the economic impact on the operation which might lead to retrenchments or mine closure; and
- f) Ensuring that all other options to avoid job losses have been considered and that turn-around strategies have been implemented. Tja Naledi Beafase Investment Holdings (Pty) Ltd will thereafter submit a report on the implementation of the turn-around strategies to the Minister of Mineral Regulation.

#### **17.4. Measures when job loss is unavoidable**

When the mine is to be scaled down (with the possible effect of job losses) or when mining is to cease, these processes will be followed:

- a) Consultations in terms of Section 52 (1) of the MPRDA;
- b) The implementation of Section 189 of the Labour Relations Act, 1995;
- c) Notifying the Minerals and Mining Development Board in terms of Section 52 (1) (a) of the MPRDA;
- d) Implementation of an effective communication strategy, including:
  - i. Informing employees of possible retrenchments;
  - ii. Informing other affected parties (sending areas, municipalities, etc) of the possible retrenchments at the operation; and
  - iii. Informing outside parties (such as the media) of the possible retrenchments at the mine.

##### **17.4.1. Retrenchment and redundancy**

The management of Tja Naledi will endeavour to avoid retrenchment wherever possible, through effective planning. Where there is no other alternative, retrenchments will be carried out as fairly as possible and in compliance with section 189 and 196 of the Labour Relations Act of 1995. The Tja Naledi retrenchment policy will apply to all employees other than casual and temporary employees.

##### **17.4.2. Options to avoid retrenchments and redundancies**

The following measures, as well as any other alternatives suggested by employees or their representatives, will be considered as strategies to maintain effective manning levels:

- a) Temporary and casual employees services will normally be terminated before permanent employees, where commercial, economic and other factors reasonably justify such a course of action;
- b) Similarly, the use of sub-contractors will be reduced as far as is reasonably possible;
- c) Overtime will be eliminated or reduced;
- d) Recruitment of new employees will be suspended;

- e) Extended periods of unpaid leave may be arranged by agreement between employees and management;
- f) The organizational structure of the company will be examined on a continuing basis, to utilise all manpower as effectively and efficiently as possible;
- g) Employees will be transferred to other operations owned by the shareholders where feasible and/or re-trained where possible;
- h) Short-time working will be implemented where possible;
- i) Employees over the normal retirement age will be retired by the company;
- j) Early retirement for employees between the ages of 55 and 63 will be considered and may be implemented by mutual agreement between the employee and management;
- k) Management may consider allowing certain employees to volunteer for retrenchment; and
- l) Manpower plans may be revised to prevent short-term retrenchments

### **17.4.3. Procedure for retrenchment and redundancy**

Once all other avenues have been fully considered and the appropriate plans implemented, the following principles will form the basis of the retrenchment procedure:

- a) Tja Naledi will give employees sufficient or reasonable notice of possible retrenchment;
- b) Management will conduct proper prior consultation with employees;
- c) Management will apply reasonable selection criteria;
- d) Individual employees will then be advised of retrenchment;
- e) Assistance to retrenched employees will be provided in accordance with the provisions of this policy and procedure;
- f) Employees will be given written notice of not less than 21 days regarding intended retrenchment (this period can either be worked or paid out to employees, depending on individual circumstance and operational requirements); and
- g) Management will provide employees to be retrenched with information related to the procedure and reasons for retrenchment.

### **17.4.4. Identification of employees to be retrenched**

Future employees who are to be retrenched will be identified by applying fair principles, having due regard for commercial and economic factors and the operational requirements and profitability of the Tja Naledi . Although dependent upon the particular circumstances of each case, the following principles are to be taken into account in identifying employees to be retrenched:

- a) Operational requirements;
- b) An employee's work record, general performance and disciplinary record;
- c) An employee's productivity and capacity;
- d) An employee's qualifications, skills, training and experience;
- e) An employee's physical fitness, health, age and personal circumstances; and

- f) An employee's length of service. As a result of the company's circumstances the "last in, first out" or LIFO principle will not be the sole criteria and the abovementioned factors will have an equal value in terms of considering the termination of an employee's services on the basis of retrenchment.

#### **17.4.5. Compensation**

- a) Retrenched employees may receive compensation in accordance with Tja Naledi 's policy on payment of severance benefits;
- b) Compensation will be paid to the equivalent of one week per completed years of service;
- c) A retrenched employee who is either dismissed by Tja Naledi in accordance with the Disciplinary Code and Procedure, or who terminates employment prior to the date of the proposed retrenchment, will forfeit any entitlement to retrenchment compensation unless Tja Naledi determines otherwise.

#### **17.4.6. Assistance to retrenched employees**

Tja Naledi will assist retrenched employees in the following respects:

- a) Assistance with UIF claims and other administrative problems;
- b) Assistance, wherever possible, with finding alternative employment;
- c) The provision of a Record of Service confirming the cause for termination;
- d) Any other practical assistance which is possible, having due regard for the resources of the company;
- e) Time off to look for alternative employment;
- f) Possibility of leaving the company before the final termination date, with full pay and with the necessary documentation; and
- g) Preference will be given, where possible, to retrenched employees when Tja Naledi is in a position to recruit staff for new mining projects within a reasonable period, normally within 12 months of retrenchment.

## **18. Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain**

### **18.1. Preamble**

This section considers the impacts of downsizing and closure on the mine community. Planning for closure and downsizing takes place throughout the life cycle of the mine, from exploration through to post-closure rehabilitation. Tja Naledi intends to use its best endeavours in order that the livelihoods of its employees, and families are sustained despite closure of the mine.

### **18.2. Strategy and objectives**

Tja Naledi will pursue initiatives to ameliorate the social and economic impact on individuals, regions and economies. These initiatives will focus on:

- a) Assessment and counselling services for affected individuals; and
- b) Self-employment training programmes and re-employment programmes.

Tja Naledi will also develop a closure plan that considers the optimum use of mine land and infrastructure during the operational phase as well as the closure phase of the mine's life. Of importance is the consideration of alternative uses of the physical infrastructure in the event of mine closure, which will require an amendment to the existing Environmental Management Plan Report (EMPR) in consultation with the Department of Mineral Regulation.

While the Social and Labour Plan is geared towards mitigating the impact of mine closure on the mine community, specific planning is required for the current and post-mining use of the physical assets of the mine for community development purposes.

## **19. The Mine Closure Plan**

### **19.1. Specific objectives of the mine closure plan**

The objectives of Tja Naledi's mine closure plan are the following:

- a) The cessation of all mining operations with minimal socio-economic as well as environmental disruptions;
- b) To capacitate the employees and members of host communities with portable skills and competencies what will enable them to sustain a livelihood in the post mining era;
- c) In conjunction with the land owner, Tja Naledi will find alternative uses for the mine, which will make it merge aesthetically pleasing and otherwise, with in its physical, socio-cultural and economic environment; and
- d) To comply with the legal requirements.

### **19.2. Guiding principles**

Tja Naledi is a responsible corporate citizen that is committed to the welfare of the community together with the environment. The guiding principles on which this mine closure plan has been drafted are:

- a) Integrating long and short term economic, environmental, social and equity goals in policies, actions and activities;
- b) Ensuring that environmental assets are appropriately safeguarded
- c) Involving communities in decisions and actions on issues that affect them;
- d) Ensuring that the closure of the mining operation incorporates a process which commences as soon as possible and continues throughout the remaining life of the operation and is implemented within internationally recognized frameworks and standards of sustainable development;
- e) Assessing and quantifying all contingent risks to elements of the environment that must be proactively managed which includes the gathering of relevant information throughout the remaining life of the mining operations;
- f) Safeguarding the safety and health of humans and animals from hazards resulting from mining operations;
- g) Minimizing environmental damage or residual impacts to such an extent that it is acceptable to all involved, including interested and affected persons;
- h) Ensuring that the land is rehabilitated to, as far as is practicable, its natural state or within the agreed concepts of this closure plan
- i) Ensuring that the environmental management plan contains both the information and design to ensure that the residual impact and their contingent costs during and at the end of the mine's life are kept to the minimum; and
- j) Giving cognizance to the need that optimal exploitation and utilization of mineral resources are not adversely affected.

In addition to these principles, the safety and health of the community will be protected by the necessary access controls which will be applied to all areas posing a threat to humans and animals:

- a) Environmental damage and residual impacts will be minimised and measures taken to ensure that these are acceptable to interested and affected parties (IAPs); and
- b) This stakeholder process will be managed through the Future Forum to be established by Tja Naledi. Issues concerning future controls will be instituted and potential impacts on IAP's will be discussed at these forum meetings.

Tja Naledi believes that the community is a very important component of its activities and should be integral to all decision-making relating to human resource development, local economic development, and environmental remediation. It is the mine's commitment to involve the community in the various domains including women, youth, the disabled, etc. in all the above activities pertaining to the mine.

### **19.3. The legal context of the mine closure plan**

The mine closure plan is subject to a range of legislation outside of the MPRDA. Care has been taken in this closure plan to ensure that the plan not only subscribes to the spirit and intent of the MPRDA and the Charter, but is consistent with other applicable statutory requirements. The following ordinances and regulations are relevant here:

- a) Constitution of Republic of South Africa Act (200 of 1993);
- b) The Minerals and Petroleum Resources Development Act (28 of 2002);
- c) The National Water Act (1998);
- d) The National Environmental Management Act (107 of 1998);
- e) The Conservation of Agricultural Resources Act (43 of 1983);
- f) The Environmental Conservation Act (73 of 1989);
- g) Agricultural Pests Act (36 of 1983);
- h) The Fencing Act (31 of 1963);
- i) The Fertilisers, Farm, Agricultural Remedies and Stock Remedies Act (36 of 1947);
- j) The Health Act (63 of 1977);
- k) The Land Survey Act (9 of 1927);
- l) The National Monuments Act (28 of 1969);
- m) The Mine Health and Safety Act (29 of 1996); and
- n) The Physical Planning Act (125 of 1991).

#### **19.4. Developmental framework of Tja Naledi mine closure plan**

As Tja Naledi does not own the land on which the mine is situated, we cannot direct considerable energy towards addressing alternative uses for the mine land and infrastructure. It is intended that the successful implementation of the mine closure plan – during the currency of mining operations but more specifically towards the end of the mine’s operational life – will result in a self-sustaining and viable bio- physical environment. Sustainable development will be underpinned by the integration of continual technological progress, improvement of social structures of mine employees and more efficient use of resources to create stakeholder value. The critical aspects of this programme will include:

- a) Reviewing imperatives and plans on a yearly basis, taking into consideration changes in circumstances and community needs in the vicinity of the mine;
- b) Developing partnerships with competent organizations for each possible enterprise making up the plan because of the potential burden on the financial and managerial capacity of the mine;
- c) The land owner and other stakeholders in these partnerships;
- d) Integrating the plan’s proposed projects into the socio-economic structure of the mine community before final closure; and
- e) Undertaking all physical rehabilitation works committed to in Tja Naledi ’s EMPR in such a way that they are firmly located within this mine closure plan.

Emphasis will be given to reaching agreement with all the role players referred to in this section on the manner in which the property will be restored to meet the needs of this closure plan, and in so doing contribute substantially towards the sustainable development of the mine community.

#### **19.5. Community participation**

This Social and Labour Plan proposes options that enhance the positive socio-economic impacts of the mine on people and community, and mitigate its long-term impact on the physical environment. While the local damage remediation currently addressed in the EMPR specifically addresses the immediate physical damage caused by the mine’s operations on site, the longer term conservation strategies also need to interlock with local economic development strategies.

##### **19.5.1. Mine community and environmental planning**

Strategies for environmental rehabilitation of the land and the use of infrastructure assets of Tja Naledi will take into consideration the agreements with the land owner.

#### **19.6. Diversified use of physical infrastructure**

##### **19.6.1. Roads**

Only roads required for end use will be retained.

### **19.6.2. Water**

The Borehole water supply would continue to serve the needs of human consumption in the future utilization of the area.

### **19.6.3. Power lines and substation**

On closure, the existing power lines and transformer reverts back to the land owner.

### **19.6.4. Waste disposal**

Tja Naledi does not operate a domestic waste disposal facility. Waste disposal sites in the local municipal area will be used.

### **19.7. Diversified use of social infrastructure**

No social infrastructure exists on site as agreed to with the land owner. Tja Naledi Beafase Investment Holdings (Pty) Ltd- Social and Labour Plan. (Revision 3) 67 of 69

### **19.8. Diversified use of commercial and administrative infrastructure**

In line with the planned post-mining use of existing physical infrastructure at Tja Naledi , application will be made to the Regional Manager, Mineral Regulation at the Department of Mineral Regulation, to retain infrastructure that could be used by the land owner. No extra structures will be built on the mine so no demolitions will be required.

### **19.9. Decommissioning phase and closure**

On closure all material stockpiles, moveable plant and other equipment will be removed from the mine. The mine floor will be profiled and will be rehabilitated for the purpose of end use. Adequate drainage will be ensured and mine sides will be profiled to a minimum of 1:3 angle.

### **19.10. Mine closure**

Mine closure will be as per Closure Plan and the approved Environmental Management Programme (EMP).



## Regulation 46 (e) Financial Provision

### 20. Providing financially for the implementation of the Social and Labour Plan in terms of the implementation of the Human Resources Development programme, Local Economic Development programmes and the processes to manage downscaling and retrenchment

Table 28: Financial Provision for the Implementation of the Social and Labour Plan

Activity Plan	2015	2016	2017	2018	2019
HR development programme	R 60 000	R 60 000	R 60 000	R 60 000	R 60 000
Local economic development programme (LED)	R 80 000	R 90 000	R 100 000	R 110 000	R 120 000
Downscaling and Retrenchment	R 50 000	R 50 000	R 50 000	R 50 000	R 50 000

\* Tja Naledi envisages spending up to 10% of future annual payroll on its social and labour plan. This will be subject to business performance and state of the South African economy. Please note that the percentages are not indicated since we only have one employee at this stage.

#### 20.1. Human Resource Development (Table 18)

#### 20.2. Local economic development programme (Table 18)

#### 20.3. Downscaling and Retrenchment Provision

The provision for retrenchment will be based on the following model and the severance packages will be calculated using the formula as detailed below:

- One week's pay for every year of service
- One-month notice pays; and
- Leave provision equivalent to 15 days.
- Pro-rata 13th cheque (bonus) for a calendar year

The above provision will be consistent with Tja Naledi's Retrenchment Policy and may be altered in terms of applicable legislation and or collective agreements with stakeholders.

#### 20.4. Mine closure

Tja Naledi will make provision for the total liability of its closure plan.

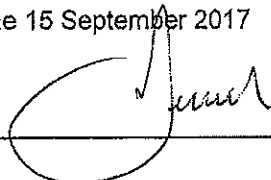
## Regulation 46(f) Undertaking

### 21. An undertaking by the holder of the mining right to ensure compliance with the Social and Labour Plan and to make it known to employees

I, Stephen Jacobs, the undersigned and duly authorized thereto by Tja Naledi Beafase Investment Holdings (Pty) Ltd on behalf of Tja Naledi Beafase Investment Holdings (Pty) Ltd, undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at Modderfontein on this the 15 September 2017

Signature of responsible person \_\_\_\_\_



Designation: Director Approved

Signed at Welkom on this 15th day of September 2017

Signature: Stephen Jacobs

Designation: Owner