

SOCIAL LABOUR PLAN

RIETVLEI COAL MINE

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Prepared for

RIETVLEI MINING COMPANY (PTY) LTD

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LIST OF ABBREVIATIONS

ABET	Adult Basic Education Training
BBBEE	Broad Based Black Economic Empowerment
DMR	Department of Mineral Resources
DOL	Department of Labour
FF	Future Forum
HRD	Human Resources Development
HRM	Human Resources Manager
FET	Further Education and Training
FF	Future Forum
LED	Local Economic Development
LM	Local Municipality
LRA	Labour Relations Act
MQA	Mining Qualifications Authority
NDM	Nkangala District Municipality
RMC	Rietvlei Coal Company
SDF	Skills Development Facilitator
SETA	Sector Education Training Authority
SMME	Small Medium Micro Enterprise
SLP	Social and Labour Plan
STLM	Steve Tswhele Local Municipality

SECTION 1: PREAMBLE

1.1 INTRODUCTION

Anglo Operations Limited, Registration No 1921/006730/06, holds a Coal Prospecting Right MP30/5/1/1/2/57 for the property, effective from 18 November 2006. The Prospecting Right expired on 17 November 2011. However an application for renewal was lodged with the Department of Mineral Resources (DMR) and approval is still pending.

As part of its commitment to Broad Based Black Economic Empowerment (BBBEE), Anglo American has entered into an agreement with Rietvlei Mining Company (Pty) Ltd (Hereafter referred to as RMC), a BBBEE company. Rietvlei Mining Company (Pty) Ltd (Rietvlei Mining Company or RMC) is a joint venture between Butsanani Energy Investment Holdings (Butsanani) and Emalangeneni Mining Resources (Pty) Ltd (Emalangeneni). Butsanani is in turn a joint venture between Vunani Mining, Anglo American Coal South Africa business unit, and Anglo Zimele Empowerment Initiative Ltd. Emalangeneni Mining Resources consists of Sefala Resources, Chlorospark Investments, ScioByte, Mistico Trading, and Lashka 123.

RMC was established in 2013 to apply for the Mining Rights for the Rietvlei Coal Mine (RCM). In order to undertake the work required RMC will appoint suitably qualified mining contractors and processing contractors. The company currently employs no full time mining related employees. The employees will be appointed once the Mining Licence has been granted.

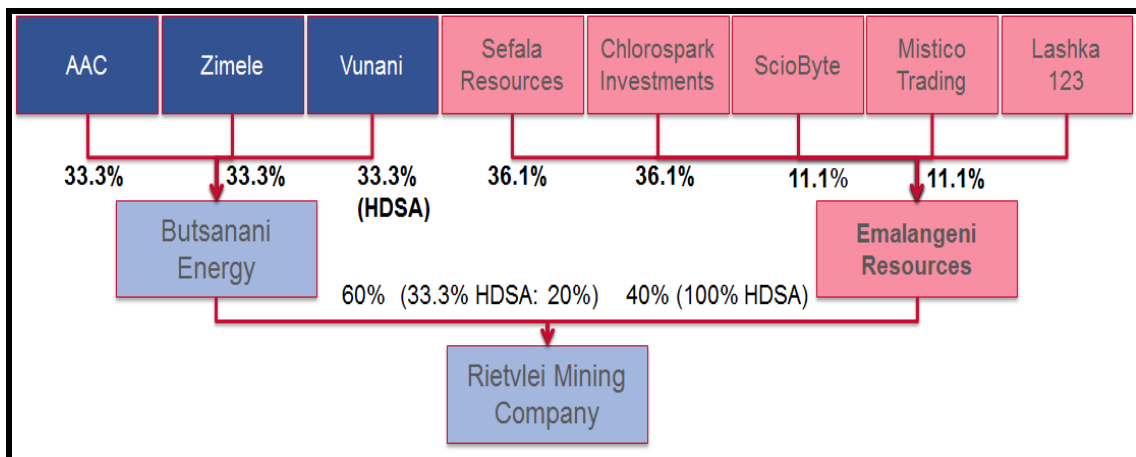


Figure 1.1: Rietvlei Coal Company Corporate Structure

1.2 OBJECTIVES OF SOCIAL AND LABOUR PLAN

The objectives of a Social and Labour Plan (SLP) are to:

- Promote employment and advance the social and economic welfare of all South Africans;
- Contribute to the transformation of the mining industry;
- Ensure that holders of mining and production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced.

1.3 SUMMARY OF APPLICANTS DETAILS

Name of applicant	Rietvlei Mining Company (Pty) Ltd
Name of Mine	Rietvlei Coal Mine
Physical address	Vunani House, Atholl Ridge Office Park, 151 Katherine Street, Sandton, 2196, South Africa
Postal address	Private Bag 6522419, Benmore, 2010
Contact details	<ul style="list-style-type: none">• Tel: +27 11 263 9505• Fax: +27 86 206 6045• Mobile: +27 (83) 289 2676• Email: markm@butsananienergy.co.za
Commodity	Coal
Financial Year	January to December
Reporting Year	2015
Responsible Person	Mark Myatt

1.4 LOCATION OF PROPOSED MINING OPERATIONS

The proposed Rietvlei Coal Mine (RCM) is located to the south east of the R 555, approximately 27 km north east of the town of Middelburg, within the Steve Tshwete Local Municipality (STLM), Mpumalanga Province of South Africa (Figure 1.2). The proposed mining project lies within a farming area within the larger Witbank Coalfield and is bordered by private properties on all sides. The mine lease covers an area of 2,225.3 ha. Of this total area approximately 800 ha will be within the mining footprint. The proposed mining method is by opencast mining, utilising conventional truck and shovel mining methodology.

The proposed site is located on:

- Remaining Portion of Rietvlei 397 JS, and;
- Portion 1 of Rietvlei 397 JS.

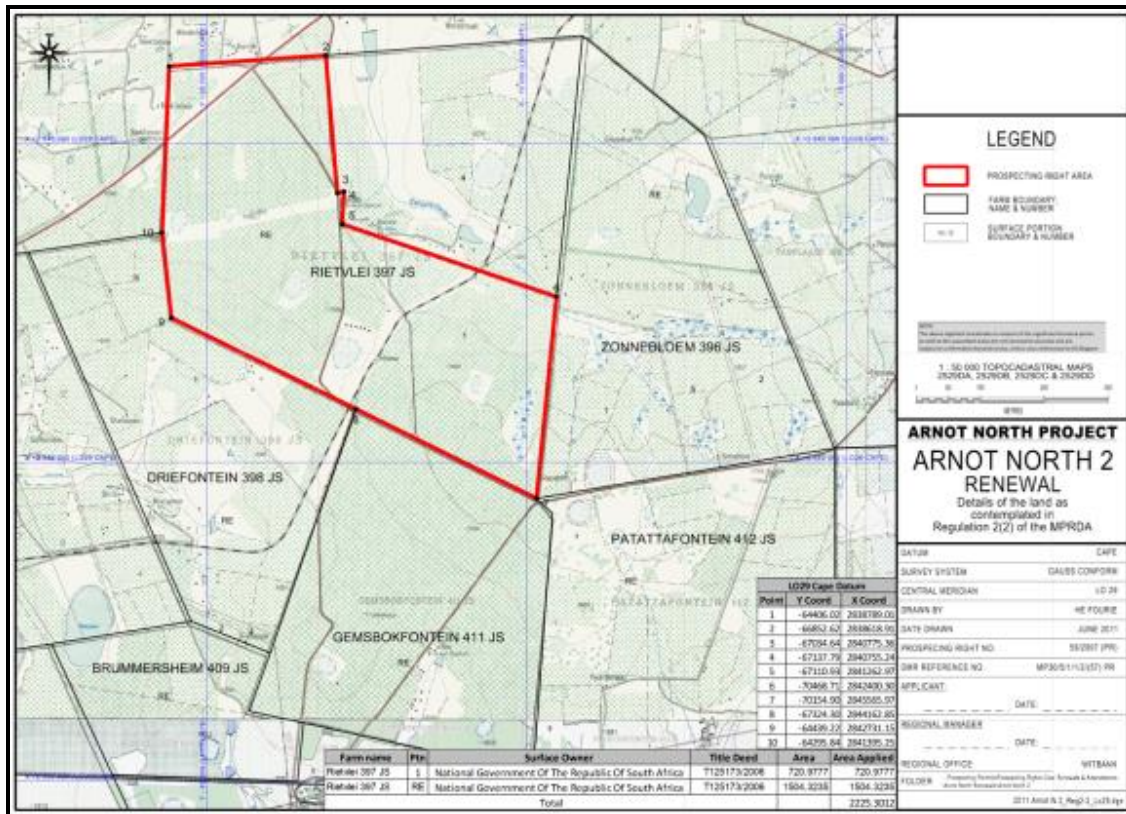


Figure 1.2: Location of the Rietvlei Coal Mine

The proposed RCM will be an opencast operation using conventional truck and shovel methods. A single box cut will be established that is 80 m wide at the coal horizon. The Coal Handling and Processing Plant (CHPP) and its associated infrastructure will be located adjacent to the box cut within Rietvlei existing mining right area and will be operated by a Build Own Operate and Transfer (BOOT) contractor. All the required mine infrastructure for the Project Area will be established on the MP 30/1/1/2(57) PR Prospecting Right area and will be located mostly on the north-eastern side of the Rietvlei 397 JS.

The mine has an estimated life of mine (LoM) of 20 years producing 2.5 million ROMt per annum. Mined coal will be beneficiated on site before being loaded and trucked to selected customers. There will be a washing plant and discard dump on site.

The infrastructure on the site will include office blocks, workshops, change and ablution facilities and a canteen.

- Office blocks: Office blocks will be erected on site adjacent the ROM stockpile area. The offices will be dismantled as part of the closure phase of the project.
- Workshops: Workshops will be constructed on the site to allow for onsite servicing of vehicles and machines. All workshops areas will be under roof and built on concrete floors fitted with sumps in order to prevent pollution. The workshops will be dismantled as part of the closure phase of the project.

- Change houses and ablutions: A change house and ablution facility will be constructed on the site. These facilities will be dismantled as part of the closure phase of the project.
- Canteen: Facilities will be established on the site for the purpose of lunch and tea breaks. Food and refreshments will not be prepared on the site.

Access to the mine site will be from the R555 tar road along a currently poorly maintained road that leads from the R555 to the Afgri Pan rail siding (Figure 1.3). The mine entrance will be ~1.5 km from the R555. The road will be upgraded and maintained by RCM to suite the mining activities. Bulk power supply will be provided by Eskom. Eskom intends to erect a new 22 kilovolt (kV) overhead power line from the Nittens traction substation approximately 4.5 km from the site of the plant.

In terms of water supply the mine is investigating the option of using local borehole water. The feasibility of this option is being assessed as part of the hydrogeological investigation for the project EIA.

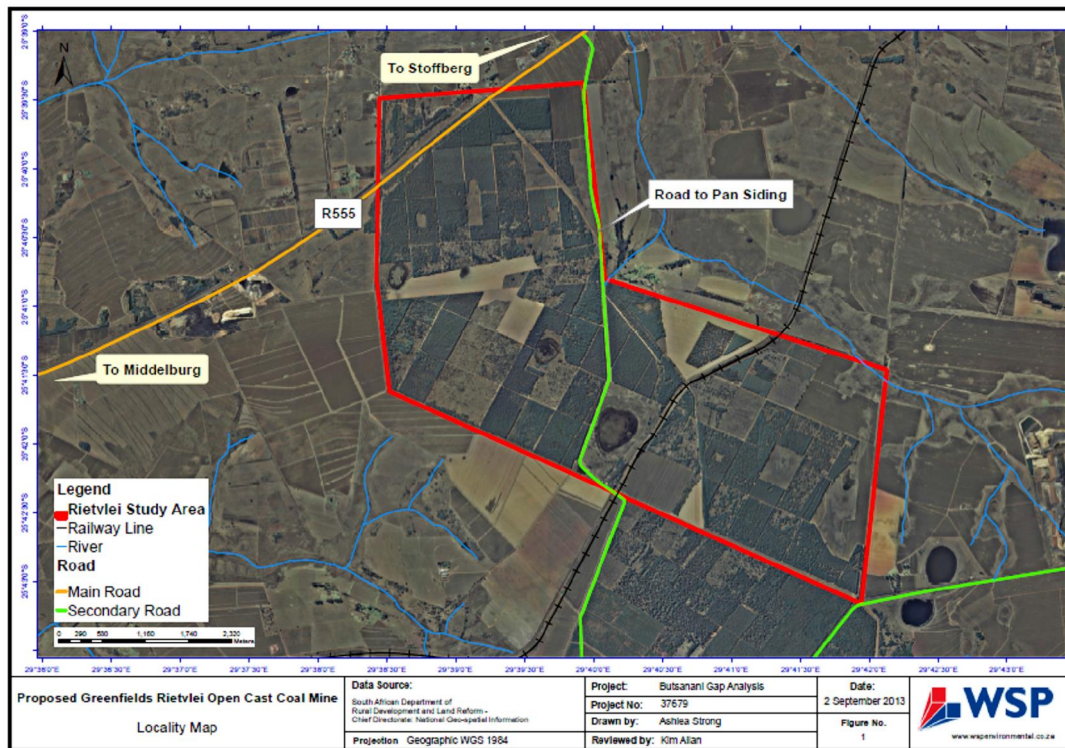


Figure 1.3: Location of Rietvlei Coal Mine relative to R 555

1.5 EXPECTED LIFE OF MINING OPERATIONS

The expected lifespan of the Rietvlei Coal Mine is 20 years with a total Run of Mine (ROM) of 47 169kt.

1.6 BREAKDOWN OF LABOUR FORCE

RMC will provide permanent staff on site to manage the day-to-day operations of the contractors. The Team will be accommodated in the site complex offices, in close proximity to the Processing Plant operations. All engineering, operational, administrative and management labour required by the mining operation and processing facilities will be provided by the contractors responsible for mining and processing operations at the mine. In terms of secondary services such as security, survey, geology, geotechnical, medical support and cleaning the RMC will, where possible, source locally based external contractors or consultants to provide these services.

1.6.1 Size and composition

The RCM is based on a contractor operation for the opencast mining and coal beneficiation processes. These processes are the two main functions of this mining project. The majority of the employees associated with the operation will therefore be employed by the mining contractor and the plant contractor. The contractors will be appointed once the application for a mining license has been approved.

The mining contractor will employ ~ 80 personnel during both the establishment and operational phase of the mine. Table 1.1 provides a breakdown of the staff requirements for the mining contractor associated with the establishment and operational phase of the mine. The plant contractor will employ ~ 40 personnel during the establishment and operational phase. Table 1.2 provides a breakdown of the staff requirements for the plant contractor associated with the establishment and operational phase of the mine. The construction phase of the plant is estimated to take six (6) months. RMC will employ management staff and technical specialists. The total number of permanent staff employed by RMC on the mine is estimated to be 23. Table 1.3 provides a list of the permanent staff employed on the mine and the qualifications required. These staff will be appointed when the mining licence is approved.

Table 1.1: Breakdown of mining contractor employees for establishment and operational phase*

Mining Contractor	
Establishment and Operational Phase	
Job Grade	Number of Employees
Manager	1
Supervisory Staff	5
Administrative Staff	4
Technical Staff - Artisans	5
Technical Staff - Skilled labour	5
Machine Operators	60
Total	80

* Final numbers will be confirmed later upon appointment of the contractor and will partly be at the contractors' discretion however, in terms of the model proposed these numbers are viewed as being indicative of the number of people required to produce the proposed tonnages safely and to the right standard.

Table 1.2: Breakdown of plant contractor employees for establishment and operational phase*

Plant Contractor			
Establishment Phase		Operational Phase	
Job Grade	Number of Employees	Job Grade	Number of Employees
Management	1	Management	2
Administrative Staff	3	Administrative Staff	4
Civil Construction - Supervision	2	Technical Staff - Artisans	7
Civil Construction - Skilled Staff	12	Technical Staff - Skilled Labour	7
Electrical Construction - Artisans	2	Processing Staff - Skilled Labour	20
Electrical Construction - Skilled Staff	6		
Structural Erection - Artisans	2		
Structural Erection - Skilled Staff	6		
Piping Erection - Artisans	2		
Piping Erection - Skilled Staff	4		
Total	40	Total	40

* Final numbers will be confirmed later upon appointment of the contractor and will partly be at the contractors' discretion however, in terms of the model proposed these numbers are viewed as being indicative of the number of people required to produce the proposed tonnages safely and to the right standard.

Table 1.3: Breakdown of permanent staff employed by RMC*

Position	Qualification	Number of Employees
Mine Manager	BSc Eng	1
Metallurgist	BSc Eng	1
Logistics Manager	HND Met	1
Financial Manager	B Comm	1
Debtors and Creditors Clerk	DIP	1
Pit Superintendent	GCC Mining	1
Engineer	GCC Eng	1
SHEQ Manager	NTD	1
Safety Superintendent	NTD	1
Weigh Bridge Clerk	Certificated	4
Personal Assistant/ Receptionist	Certificated	1
Cleaner	Certificated	2
Sewage Plant Operator	Certificated	1
WTP Operator	Certificated	1
Diesel Attendant	Certificated	2
Artisan Millwright	Certificated	1
Medical – First Aid Attendant (Clinic)	Certificated	1
Social & Community Engagement Officer	Certificated	1
Total:		23

* Above numbers based on the latest modelling for the mine.

During the construction phase of the mine, additional tasks that will require personnel are listed below. It is expected that at a peak periods the number of additional contractors on site will reach > 100 people. These tasks are time specific and people / companies will be employed to complete a specific task and then leave the site. A quota of 10% of the people on site during this period can be considered as supervisory and technical staff and the remaining 90% can be considered to be skilled staff.

- Fencing;
- Earthworks and road construction;
- Tree removal;
- Pollution Control Dam construction;
- Office building;
- Substation building;
- Overhead power line construction.

1.6.2 Geographic origin

As indicated above, RMC will employ contractors to undertake the opencast mining and coal beneficiation process. The contractors will be appointed once the mining license has been approved. At this stage in the project it is therefore not possible to provide a detailed breakdown of the geographic origin of the workforce employed by

the contractors by sending areas. However, in terms of RMCs procurement policy preference will be given to local contractors that employ members from local communities in the STLM.

The mining sector represents an established and key economic key sector in the STLM. As a result there are likely to be a number of local suitably qualified contractors and members from the local community that have the necessary mining related skills and experience to meet the requirements for the proposed Rietvlei Mine. Based on the key role played by the mining sector in the STLM, Nkangala District Municipality (NDM) and Mpumalanga, the total number of employees from outside of the Mpumalanga Province will be limited. This provision does however not bar the applicant from employing people from outside the immediate local area should a skills audit indicate the absence of suitable candidates for training or immediate employment.

It will only be possible to identify the number of suitably qualified and available personnel from the local community once a Skills Audit has been undertaken in the area, as required in terms of the Mining Charter. RMC will identify and appoint a locally based BEE-compliant accredited skills-audit provider once the application for a Mining Right has been approved by the DMR. A Skills Audit will be completed within **3 months** of the commencement of mining.

SECTION 2: HUMAN RESOURCE DEVELOPMENT PLAN

2.1 INTRODUCTION

Section 2 is divided into six main sections as per the requirements for SLPs, namely:

- Human Resources Development Strategy (2.2);
- Skills Development Plan (Section 2.3);
- Career Progression (Path) Plan (Section 2.4);
- Mentorship Plan (Section 2.5);
- Internship and Bursary Plan (Section 2.6);
- Employment Equity Plan (Section 2.7).

As indicated above, contractors will be appointed to undertake the mining and plant related activities at the proposed Rietvlei Coal Mine. The contractors will be appointed on approval of the Mining Right application. There are therefore no workers currently employed by the mine. Notwithstanding these aspects, RMC is fully committed to the principles contained within the Mining Charter.

2.2 HUMAN RESOURCES DEVELOPMENT PROGRAMME

2.2.1 Introduction

RMC Human Resources Development (HRD) strategy forms an integral part of the companies operational and business strategies, which are based on the operational requirements of the mine, the National and Sector Skills Development Plans and Strategies, Labour Legislation and in particular, the Skills Development Act and the Employment Equity Act, as well as the requirements of the Mining Charter.

The HRD objectives in terms of the Broad Based Socio-Economic Charter for the mining industry are aimed at:

- Creating opportunities for Historically Disadvantaged South African's (HDSAs), including women, to enter the mining and minerals industry;
- Utilizing the existing skills base for the empowerment of HDSAs;
- Promoting employment and advance the social and economic welfare of mining communities and the major labour sending areas.

The purpose of the Skills Development Act, 97 of 1998 is to:

- Develop the skills of the South African workforce;
- Increase the levels of investment in education and training in the labour market and to improve that return on that investment;
- Encourage employers to provide employees with opportunities to acquire new skills, provide opportunities for new entrants to the labour market to gain work experience and employ persons who find it difficult to be employed;
- Encourage workers to participate in learnership and other training programmes;

- Improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;
- Ensure the quality of education and training in and for the workplace;
- Assist work-seekers to find work and re-trenched workers to re-enter the labour market; and
- Assist employers to find qualified employees.

2.2.2 Components of the Human Resource Strategy

The core components of the Company’s HRD strategy include:

- Ensuring functional and numerical literacy for all staff;
- Employment equity;
- Skills development;
- Development of business and life skills amongst employees;

The components of RMCs HRD plan in support of this strategy are outlined in Figure 2.1 below.

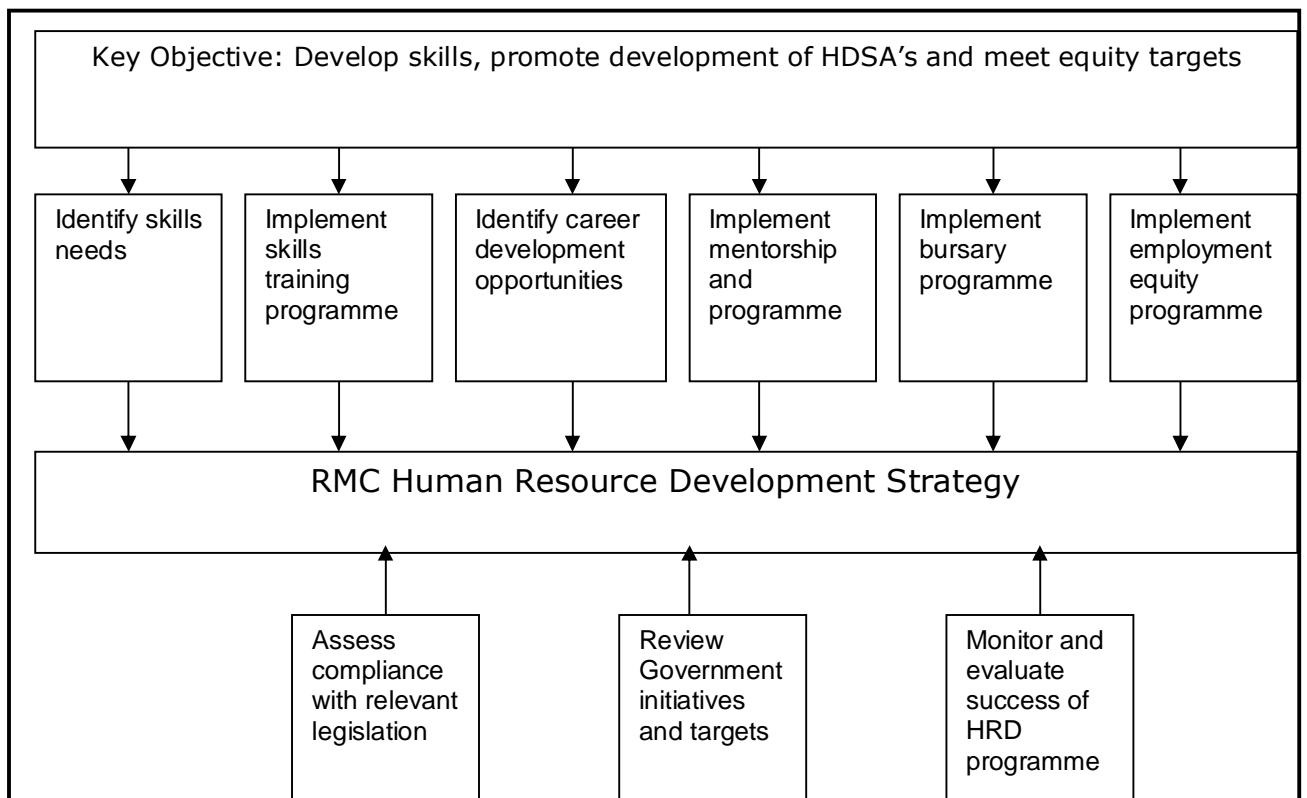


Figure 2.1: RMC HRD Plan

2.2.3 Guiding principles

The HRD strategy is guided by the following principles.

Functional literacy

- RMC is committed to ensuring that all employees have the opportunity to become functionally literate within 5 years of the commencement of mining;
- RMC will provide access to employees to adult basic education and training (ABET) facilities at nearby accredited institutions.

Employment equity

RMC's employment equity policy and plan aims to meet the targets established in terms of the Mining Charter. In this regard the RMC is committed to:

- Recruiting to achieve as close as possible to the minimum of 40% HDSA participating in management by 2018¹ when the operation is scheduled to reach full production and achieving the target within 3 years;
- Recruiting to achieve as close as possible to the minimum of 10% women participating in all levels of the Company by 2018 when the operation is scheduled to reach full production and achieving the target within 3 years.

Skills development

The current skills shortage is recognised as a constraint for economic development and empowerment. To address the issue of skills development RMC is committed to:

- Providing training courses for employees;
- Providing bursary schemes for employees and local high school children;
- Providing learnership and mentorship programmes for employees;
- Providing employees with opportunities to acquire new skills.

2.2.4 Implementation of the HRD strategy

The objectives of the HRD strategy will be met by:

- Establishment of a Workplace Skills Plan (WSP);
- Contribution towards the sector skills plan of the Mining Qualifications Authority ("the MQA");
- Establishment of learnerships;
- Establishment of mentoring programmes;
- Establishment of a career progression plan;
- Establishment of an internship and bursary plan;
- Establishment of an employment equity plan;
- Conducting of regular skills audits and assessments/monitoring of skill needs; and
- Claiming of the mandatory grant by the MQA.

The MPRDA regulations also highlight the availability of mining specific skills and competencies of the workforce, and developing portable skills for employees after mine closure. A wide variety of training and skills development programmes will be

¹ In terms of the current project plan the Mine will reach full production during 2018, therefore the strategy is to meet the targets from the start. Achieving full production by 2018 assumes that the mining right and other relevant licences are approved.

made available to all employees. These programmes will be aimed at developing flexible and portable skills that will improve the economic mobility and sustainability of the employees.

2.3 SKILLS DEVELOPMENT PLAN

2.3.1 Introduction

As required in terms of the Skills Development Act (SDA) and Skills Development Regulations, the aim of the Workplace Skills Plan (WSP) will be to align skills with the required job descriptions. The WSP will be reviewed on an annual basis so as to enable RMC to identify the necessary skills and training requirements for its employees.

The WSP will be designed, developed and implemented in accordance with the formulation of a SDP contained in the Skills Development Act (97 of 1998) and relevant Mining Qualifications Authority (MQA) requirements. Detailed plans will include information on focal areas, associated timeframes and associated outcomes. RMC will appoint a Human Resource Manager (HRM) to implement the companies HRD strategy. The HRM in his or her capacity as the Skills Development Facilitator (SDF), in conjunction with an external accredited training facilitator, will be responsible for the preparation of and revisions to the SDP. A WSP and Annual Training Report will be compiled by an external auditor as required in terms of the Mining Charter, and submitted annually to the MQA and Department of Labour (DOL), as per legal requirement. Before submission to the MQA and DOL, these documents will be presented to relevant trade union representatives and local labour authorities for comment.

2.3.2 Workplace Skills Plan

A Workplace Skills Plan will be submitted within **3 months** of commencement of mining operations. This is expected to be in 2018.

The Workplace Skills Plan will address the operational requirements of the mine and meet the future employment and career aspirations of employees. The Skills Plan will also set targets which will be based on the education and skills levels of the employees. Underpinning the Skills Plan is the overarching objective of equipping HDSAs with the necessary skills to enable them to apply for increasingly senior level and ultimately management positions within RMC. In this regard the key components of the skills development plan are:

- Assessment of current skills levels and identification of an HDSA talent pool;
- Creation of opportunities for women and promoting their participation in the day-to-day activities of RMC;
- Establishment of mentorship programmes aimed at supporting HDSAs to achieve their goals and career paths, and;
- Providing funding for HDSAs in the form of bursaries.

Where external recruitment is necessary to meet the above objectives, a targeted strategy will be implemented that will provide opportunities for local HDSA residents whenever possible.

2.3.3 Implementation of the Workplace Skills Plan

RMC will provide training and development programmes for all levels of employees. The company will also monitor performance, personal attributes and abilities to identify and develop potential so that future staffing needs are filled internally as far as it is practically possible. Employees will be developed commensurate with their abilities.

The HRM appointed by RMC will be responsible to implementing the companies Workplace Skills Plan. The HRM will also liaise with the contractor appointed by RMC with regard to the establishment of a Skills Development and Employment Equity Committee. These discussions will be finalized within 3 months of the appointment of the contractor/s.

The HRM will act as Equity Manager and chairman of the Future Forum (FF). The HRM will also act as RMC representative on the STLM LED and IDP forums. The aim of this will be to ensure that the in-house training and skills development programmes are aligned with local development initiatives.

The need for a fulltime Skills Development Facilitator (SDF) will be assessed once the Skills Audit has been undertaken (3 months after the commencement of mining). The Mine Manager will liaise with the HRM to ensure that the necessary skills development training programme is implemented.

The role of the SDF will include:

- Acting as the contact person between the Mine and SETA (MQA);
- Liaising with the MQA for grant recovery, especially Discretionary Grants;
- Informing stakeholders of the Sectoral Skills Development Legislation;
- Facilitating the development of the Skills Development Strategy that links to the National Skills Development strategy and legislation;
- Compiling and submit the Workplace Skills Plan and the Annual Training Report;
- Consulting with the Unions with respect to the WSP and ART prior to submission to the MQA;
- Facilitating the implementation of the HRD Programmes;
- Conducting Skills Audits and needs assessments;

The training and development delivery system will cover the following areas:

- Induction training;
- Training in relevant legislation and codes of conduct;
- Training in relevant technical fields, such as fitter, boilermaker, mechanical, and electrical;
- Portable skills training;
- HIV and Holistic Wellness Training to all employees and selected Community representatives;
- Safety Training for all employees (Annually and at Induction);
- Risk Assessment Training (Supervisors, Safety representatives, etc.);
- Accelerated Development Succession training for internally identified affirmative succession candidates;
- Leadership, managerial and supervisory training;
- Adult Basic Education and Training (ABET) where required.

2.3.4 Current status

The Table 2.1 illustrates the RMC's current level of compliance with the skills development legislation.

Table 2.1: Summary of key timeframes for compliance with skills development legislation

Activity	Timeframe after commencement of mining²
Registration with Mining Qualification Authority	Within 3 months
Identification of relevant SETAs	Within 3 months
Registration number with SETA	Within 3 months
Appointment of Skills Development Facilitator	Within 1 month
Submission of Workplace Skills Plan	Within 3 months

2.3.5 Portable Skills Training

Portable skills training will be provided by RMC as part of the Workplace Skills Development Plan. The nature of the company's core business is such that employees will be exposed to skills and competencies that will enable them to find jobs elsewhere within the mining industry, or enable them to become financially self-sustaining. RMC will therefore focus on the development of skills related to the actual mining operations, general workplace health and safety and product processing. Training in these skills will be mandatory for all identified workers. It is envisaged that an external, accredited skills development service provider will be appointed to assist RMC to implement the required training programme. In this regard, RMC will obtain a list of BBBEE compliant accredited skills-training providers from the DOL in Mpumalanga.

In addition to this, RMC will identify various certificated non-mining related training programmes. The aim of these programmes will be to provide employees with basic life skills, financial management and budgeting skills. Training in these skills would be mandatory for all identified workers.

2.3.6 Education level of the workforce

As indicated above, RMC will appoint contractors to undertake the mining operations at RCM. Based on information from similar coal mining operations the total number of permanent staff that will be employed by the contractors during the operational phase is estimated in the region of 120. In addition, there will be ~ 23 RMC employees.

Table 2.2, 2.3, 2.4 and 2.5 provide an initial estimate of the education levels of the workforce employed by the mining contractor, plant contractor and RMC respectively.

² In terms of the current project plan the Mine will reach full production during 2018. This assumes that the mining right and other relevant licences are approved.

Table 2.2: Estimate of education levels of mining contractor employees for operational phase*

Mining Contractor: Establishment and Operational Phase		
Job Grade	Number of Employees	Education level
Manager	1	Tertiary
Supervisory Staff	5	Secondary and Skills Training
Administrative Staff	4	Secondary and Tertiary
Technical Staff - Artisans	5	Secondary and Skills Training
Technical Staff - Skilled labour	5	Skills Training
Machine Operators	60	Skills Training
Total	80	

* Final will be confirmed later upon appointment of the contractor and will partly be at the contractors' discretion.

Table 2.3: Estimate of education levels of plant contractor employees for establishment phase*

Establishment Phase		
Job Grade	Number of Employees	Education level
Management	1	Tertiary
Administrative Staff	3	Secondary and Skills Training
Civil Construction - Supervision	2	Secondary and Skills Training
Civil Construction - Skilled Staff	12	Skills Training
Electrical Construction - Artisans	2	Secondary and Skills Training
Electrical Construction - Skilled Staff	6	Skills Training
Structural Erection - Artisans	2	Secondary and Skills Training
Structural Erection - Skilled Staff	6	Skills Training
Piping Erection - Artisans	2	Secondary and Skills Training
Piping Erection - Skilled Staff	4	Skills Training
Total	40	

* Final will be confirmed later upon appointment of the contractor and will partly be at the contractors' discretion.

Table 2.4: Estimate of education levels of plant contractor employees for operational phase*

Operational Phase		
Job Grade	Number of Employees	Education level
Management	2	Tertiary
Administrative Staff	4	Secondary and Skills Training
Technical Staff - Artisans	7	Secondary and Skills Training
Technical Staff - Skilled Labour	7	Skills Training
Processing Staff - Skilled Labour	20	Skills Training
Total	40	

* Final will be confirmed later upon appointment of the contractor and will partly be at the contractors' discretion.

Table 2.5: Estimate of education levels of permanent staff employed by RMC*

Position	Qualification	Amount of Employees
Mine Manager	BSc Eng	1
Metallurgist	BSc Eng	1
Logistics Manager	HND Met	1
Financial Manager	B Comm	1
Debtors and Creditors Clerk	DIP	1
Pit Superintendent	GCC Mining	1
Engineer	GCC Eng	1
SHEQ Manager	NTD	1
Safety Superintendent	NTD	1
Weigh Bridge Clerk	Certificated	4
Personal Assistant/ Receptionist	Certificated	1
Cleaner	Certificated	2
Sewage Plant Operator	Secondary and Skills Training	1
WTP Operator	Secondary and Skills Training	1
Diesel Attendant	Secondary and Skills Training	2
Artisan Millwright	Certificated	1
Medical – First Aid Attendant (Clinic)	Certificated	1
Social & Community Engagement Officer	Certificated	1
Total:		23

* Above numbers based on the latest modelling for the mine.

As indicated above, the appointment of contractors to undertake the work required will take place once the Mining Right application has been approved. Accurate information on the education levels of the contractor staff (mining and plant) and RMC staff will only be available once the appointment have been made. **Form Q** (Annexure 1) will be submitted within **3 months** of the commencement of mining activities. This will list the education levels of the staff employed on the mine. Form Q will be completed in terms of the 2004 SLP Regulations promulgated in terms the MPRDA, viz. R 46 (b) (i) (aa). Separate Form Q's will be submitted for contractors and RMC.

The appointment of permanent staff will also be guided by RMC Employment Equity Policy. This includes targets of 40% HDSA participation in management and 10% females by 2018.

2.3.7 Hard to fill vacancies

Private contractors with the required experience and capacity will be appointed to undertake the mining and manage processing at the Rietvlei Coal Mine. Based on experience with other coal and mining projects a list of potentially hard to fill vacancies for mining and plant contractors is provided in Table 2.6 and 2.7. RMC will appoint ~ 23 full time employees. Table 2.8 identifies the potentially hard to fill vacancies for RMC.

The appointment of contractors will take place once the Mining Licence has been approved. A list of hard to fill vacancies will be compiled once the positions have been advertised and the Skills Audit has been completed. **Form R** (Annexure 2) will be submitted within **3 months** of the commencement of mining activities. Form R will be completed in terms of Regulation R 46 (b) (i) (bb) promulgated in terms the MPRDA.

Table 2.6: Estimate of hard to fill vacancies for Mining Contractor for establishment and operational phase

Mining Contractor: Establishment and Operational Phase		
Job Grade	Number of Employees	Hard to fill vacancies
Manager	1	1
Supervisory Staff	5	2
Administrative Staff	4	0
Technical Staff - Artisans	5	3
Technical Staff - Skilled labour	5	0
Machine Operators	60	0
Total	80	5

Table 2.7: Estimate of hard to fill vacancies for Plant Contractor

Job Grade	Number of Employees	Hard to Fill Vacancies
Establishment Phase		
Management	1	1
Administrative Staff	3	0
Civil Construction - Supervision	2	1
Civil Construction - Skilled Staff	12	6
Electrical Construction - Artisans	2	2
Electrical Construction - Skilled Staff	6	3
Structural Erection - Artisans	2	1
Structural Erection - Skilled Staff	6	3
Piping Erection - Artisans	2	1
Piping Erection - Skilled Staff	4	2
Total	40	20
Operational Phase		
Management	2	2
Administrative Staff	4	0
Technical Staff - Artisans	7	3
Technical Staff - Skilled Labour	7	0
Processing Staff - Skilled Labour	20	0
Total	40	5

Table 2.8: Estimate of hard to fill vacancies for RMC

Labour Requirement	Number of Employees	Hard to fill vacancies
Mine Manager	1	1
Metallurgist	1	1
Logistics Manager	1	1
Financial Manager	1	1
Debtors and Creditors Clerk	1	0
Pit Superintendent	1	1
Engineer	1	1
SHEQ Manager	1	0
Safety Superintendent	1	0
Weigh Bridge Clerk	4	0
Personal Assistant/ Receptionist	1	0
Cleaner	2	0
Sewage Plant Operator	1	0
WTP Operator	1	0
Diesel Attendant	2	0
Artisan Millwright	1	0
Medical – First Aid Attendant (Clinic)	1	0
Social & Community Engagement Officer	1	0
Total	23	6

2.3.8 Functional Literacy and Numeracy

2.3.8.1 Training for employees

The number of RMC employees on the mine will be ~ 23. As part of its commitment to providing access to further learning for all employees, full time, part-time and flexi time training will be offered by RMC to its employees at suitably equipped venues that are accessible to employees. RMC will also ensure that the contractors provide same opportunities for their staff. The HRM appointed by RMC will be responsible to assessing the need to provide ABET training and Further Education and Training (FET) Programmes for RMC staff. The HRM will also be responsible for ensuring the contractors appointed assess the need for and provide ABET³ and FET⁴ training for their employees.

³ ABET (Adult Basic Education and Training) is an education and training programme that provides general education to adults who have not had access to formal schooling, and for those who have attained less than a Grade 9 (formerly Standard 7) education. ABET educates participants in the areas of numeracy and literacy. ABET is provided for in the National Qualifications Framework (NQF), with ABET Level 4 being equivalent to NQF Level 1.

⁴ FET (Further Education and Training) refers to education and training provided from Grades 10 to 12, including career-oriented education and training offered in technical colleges, community colleges and private colleges.

ABET learning areas focus on Communication (English) and Numeracy and are divided into 4 levels, namely:

- ABET Level 1 (Equivalent to Grade 3);
- ABET Level 2 (Equivalent to Grade 5);
- ABET Level 3 (Equivalent to Grade 7);
- ABET Level 4 (Equivalent to Grade 9).

Table 2.2, 2.4 and 2.5 provide an initial estimate of the education levels of the workforce employed by the mining contractor, plant contractor and RMC during the operational phase of the mine. Based on this information the focus of ABET training will be on those staff with secondary education and existing work related skills training. The level of ABET training for these staff is likely to be ABET level 3 and 4. Based on initial estimates there are ~ 60 employees that would potentially require and or benefit from ABET training. Table 2.9 outlines the initial targets and time lines for the providing ABET training to all of the 60 workers that fall within these categories within the first 5 years of the mining operations. As indicated above, accurate information on the education levels of the contractor staff (mining and plant) and RMC staff will only be available once the appointment have been made. This information will be included in Form Q which will be submitted within 3 months of the commencement of mining activities.

Table 2.9: ABET Targets

ABET Level	Targets and Timelines *					
	2018	2019	2020	2021	2022	Total Budget
ABET 1						
ABET 2						
ABET 3	5	6	6	6	7	
ABET 4	5	6	6	6	7	
Total Number	10	12	12	12	14	
Budget (Rand) ⁵	60 000	75 600	79 380	83 352	102 102	400 434

* Start date dependent on timing of grant of mining right and water use license

FET will also be aimed at those staff with secondary education and existing work related skills training. The aim will be to create opportunities for staff that have ABET Level 4 to get Grade 10, 11 and 12 qualifications. The FET training will therefore build on the ABET programme provided by RMC. In addition to providing Grades 10 to 12 qualifications the FET programme will also focus on providing career-oriented education and training. This will be linked to FET colleges in the area. Table 2.10 outlines the initial targets and time lines for the FET programme for 50% (60) of the 120 workers that fall within these categories within the first 5 years of the mining operations.

⁵ Budget based on R 6 000 allocated per person for ABET training per annum. This figure has been increased by 5% per annum.

Table 2.10: Skills Development Training and Targets

ABET Level	Targets and Timelines*					
	2018	2019	2020	2021	2022	Total Budget
Grade 10	2	2	2	2	4	
Grade 11	2	2	2	2	3	
Grade 12	2	4	4	4	3	
Administrative training	2	2	2	2	2	
Technical and mining related training	2	2	2	2	2	
Total	10	12	12	12	14	
Budget (Rand) ⁶	80 000	100 800	105 840	111 132	136 136	533 908

* Start date dependent on timing of grant of mining right and water use license

As indicated above, the appointment of contractors to undertake the work required will take place once the Mining Right application has been approved. Accurate information on the numeracy and literacy levels of the employees appointed by the contractor (mining and processing) and RMC staff will only be available once the appointments have been made. **Form Q** (Annexure 1) will be submitted within **3 months** of the commencement of mining activities. The targets and budget listed in Table 2.9 and 2.10 will also be assessed based on the information contained in Form Q.

2.3.8.2 Training provision for labour sending communities

With regard to the contractors, given the prominent role played by the mining sector in the region the majority of workers employed by RMC and the contractors appointed are likely to be locally based and are likely to have the required skills. The need for training for labour sending areas is therefore limited. However, the HRM appointed by RMC will be assess the need for training for labour sending communities once the RMC staff have been appointed. The HRM will also be responsible for ensuring the contractors assess the need for training for labour sending communities.

2.3.8.3 Training for migrant labourers

RMC has a preferential local recruitment policy. However, it will - in accordance with the Mining Charter - not discriminate against migrant labourers, provided that they are in possession of legal work permits. Any training provided by RMC (e.g. mining, safety, processing) would be open to all employees, irrespective of origin.

2.3.9 Learnerships

RMC is committed to actively participating the MQA learnership programme, and supports the Department of Labour's learnership programmes geared towards ensuring that participants receive not only accredited training in the theory, but also benefit from practical experience in the mining workplace.

⁶ Budget based on R 8 000 allocated per person for FET training per annum. This figure has been increased by 5% per annum.

Previous experience has shown that the challenges facing the mining industry in terms of skills requirements are linked to Engineering. RMC will therefore implement Apprenticeships and Learnership programmes based on the relevant MQA specifications. The number and type of learnerships offered each year will be determined by the business and skills needs of RMC. All training programmes will be implemented in accordance with the relevant training legislation (MQA & SAQA) and will be carried out at an accredited training facility in line with RMCs Employment Equity Strategy.

Progress with regards to learnerships will be reported on an annual basis in RMCs Annual SLP report and in the Annual Training Report submitted to the Department of Labour. The aim of these programmes will be to establish a talent pool in the areas where there is a shortage of skills and assist RMC to meet its 40% HDSA target and 10% women within five years of the commencement of mining.

2.4 CAREER PROGRESSION (PATH) PLAN

2.4.1 Introduction

The Career Progression Plan (CPP) will be guided by RMC commitment to achieving employment targets of 40% HDSAs in management positions and 10% female representation on all levels, including management positions, within five years of the commencement of mining.

The aim of the plan is to provide employees, where preference is given to historically disadvantaged South Africans, with opportunities as envisaged in the Mining Charter. In this regard RMC acknowledges the importance of developing the career opportunities for HDSAs to participate meaningfully in the mining industry, and to expand the skills base of such persons.

RMC is fully committed to the principles of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter"), and the need to identify potential and actual talent within RMC and fast track their development.

The career progression plan will be informed by the following principles:

- Accepted and recognised assessment and aptitude tools will be utilized to assess staff members;
- An appropriate system of mentoring, coaching and monitoring will be developed and implemented;
- The company will give preference to suitably qualified HDSA candidates in accordance with the Employment Equity Plan;

RMC is committed to complying with the provisions of applicable legislation, including, but not limited to the Labour Relations Act No 66 of 1995 ("the LRA") and the Employment Equity Act No. 55 of 1998. RMC will also ensure that the contractor/s appointed by RMC also comply with the required legislation and the principles of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter").

2.4.2 Definition of Career development

For the purposes of the plan career development is divided into two separate dimensions. "*Career planning*" is where individuals utilize their own aptitudes, skills, qualifications, interests and values, and based upon such parameters, plan their careers accordingly. "*Career management*" is where the employer supports and assists the employee in the planning, and seeks to assist new recruits and talented employees in the achievement of such goals through supervision and guidance.

2.4.3 Implementation of the career development plan

Individual employees will be encouraged and supported by RMC to plan their careers, in a realistic and achievable manner. In this regard the following measures will be implemented:

- At the outset of the mining project RMC will provide employees with information on career paths and opportunities within the company. This information will be provided in the format of documentation and also at presentations facilitated by the HRM. This information will be up-dated on an annual basis;
- Employees will be invited, at the outset of the mining project, to discuss and identify their stated goals and targets in terms of career planning. In line with the company's general policies and procedures, internal candidates will be given preference, where possible and appropriate, within the context of the company's Employment Equity Plan;
- The stated goals and targets will be reviewed and assessed on an annual basis as part of the annual assessment process.
- RMC will, within the financial constraints of the Company, provide financial support for training and courses to assist the career development of individuals. Preference will be given to HDSAs;
- RMC will, within the financial constraints of the Company, provide individuals the necessary non-financial support, such as providing transport to attend courses and ensuring that the courses are provided at times that are convenient and study leave etc.;
- RMC will, on a regular/annual basis, identify potential talent amongst new recruits and existing employees and provide special training and mentorship. Preference in this regard shall be given to HDSAs. Once identified, the individuals shall be provided with such mentorship and exposed to internal and external training opportunities as RMC deems appropriate and in accordance with its mentorship policy, skills development plan and employment equity plan;
- Employees will be entitled to raise any issues as they may perceive to exist with the Company's assistance in career development. These issues can be raised with the HRM. The HRM shall deal with such issues in accordance with the Company grievance policy and procedure.

The implementation of the career development plan will take into account:

- Formal qualifications;
- Related relevant experience;
- The capacity and willingness to acquire skills and, within a reasonable period, the ability to do the job, and;
- Links with RMC's Mentorship, Internship and Bursary Plans.

A detailed Career Progression (Path) Plan will be submitted within **3 months** of commencement of mining. In order to comply with Regulation 46 (b) (ii) the following will be provided:

- Career development matrices for each discipline;
- Individual development plans for employees;
- Identification of employees who can be fast tracked in line with company needs.

The Career Progression (Path) Plan will include training programmes within the career progression path, core mining occupations identified, the position that the workers are starting from and the targets they are working towards. The plan will identify targets for Year 1-5.

2.5 MENTORSHIP PLAN

2.5.1 Introduction

The basic objectives of mentoring are:

- To encourage and assist in the development and growth of an employee;
- To support the successful incorporation of employees into the company on all levels, including but not limited to competency, capacity, cultural and emotional integration;
- To support the company's career development and progression plan.

Each mentoring relationship will differ depending on the employee experience, expertise and their personal needs and goals. An effective mentor can provide a wide variety of assistance to employees and assist them to improve their skills and develop their careers.

Mentoring also plays an important role in ensuring that newly appointed and first-time employees, with particular emphasis on HDSAs and women, are nurtured and ultimately retained by RMC. The philosophy is that if a talented newly appointed employee has an influential mentor, the chances of them succeeding and remaining at RMC are far higher than without the help of a mentor. RMC will also ensure that the contractor/s appointed by RMC also implements a Mentorship Plan that supports the principles of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter").

2.5.2 Benefits to the employees

The benefits of the mentorship programme for employees include:

- Development of workplace skills knowledge;
- Personal and behavioural development;
- Career development and assistance;
- Exposure to different ways techniques and approaches.

2.5.3 Benefits to the Company

The benefits of the mentorship programme for RMC include:

- Development of a skilled and motivated workforce;
- Establishment of career paths for employees in the Company;

- Reduction in staff turn-over;
- Interaction between senior and junior staff;
- Exposure of management to the ideas, expectations and perceptions of employees.

2.5.4 Implementation of the mentorship programme

RMC supports both formal mentorship and informal mentorship. Where formal mentorship is implemented, this is a structured process while informal mentorship is spontaneous and not structured.

Identification of mentorship needs

The identification of mentorship needs will be linked to meeting the key objectives of the mentoring, namely:

- To encourage and assist in the development and growth of an employee;
- To support the successful incorporation of employees into the company on all levels, including but not limited to competency, capacity, cultural and emotional integration;
- To support the company's career development and progression plan.

In addition the mentorship programme can assist in the following potential situations:

- Where work performance is poor;
- When an employee has indicated a desire to be promoted, or alternatively, apply for a new position within the Company;
- When an employee needs assistance with studies or training and development;
- When an employee is weak in certain work-related behaviours, including, personnel management, networking, teamwork and personal presentation;
- When an employee needs to master certain skills;
- When an employee feels that he/she does not fit into the culture of the Company.

Identification of a mentor

RMC mentorship programme will allow for employees to approach the Company's HRM and request that a mentor be allocated to them. Alternatively, the HRM will appoint a mentor to all employees from the designated groups who have the potential to be fast tracked in terms of the Company's employment Equity Plan and Skills Development Plan.

Employees who elect to enter the mentorship programme of their own accord will be required to state the reasons for their request. RMC HRM will be responsible for identifying the appropriate mentor for the employee based on the underlying reason for the request to enter the mentorship programme and the profile of the employee in question. The employee will be notified in writing of the selection of their mentor.

Initial meeting with the mentor

Following the appointment of a mentor a meeting will be arranged between the employee and the selected mentor. The first meeting will be set up and facilitated by the HRM. The aim of the meeting will be to put both parties at ease with each other and get to know each other better. At the end of the initial meeting, arrangements will be made for a second meeting aimed at a more detailed discussion about the aims of the mentorship and the expectations of the employee.

Identifying and setting goals

At the second meeting between the employee and mentor, after explaining expectations and goals of the relationship, the employee and mentor will collectively identify a set of clearly focused goals and activities that meet the needs of the employee. During the course of the second meeting the employee and mentor should establish the following:

- The expectations of both the employee and the mentor;
- How often they would like to meet;
- Where and when the meetings should take place. The venue and time should be convenient to both parties;
- The person responsible for setting up the meetings;
- Procedures for resolving grievances and disputes

Obligations of the employee and the mentor

The obligations of the employee and mentor who enter into a mentorship relationship include:

- Commitment to maintaining regular contact with each other;
- Commitment to implementing the agreed goals and action plans; and
- A commitment to developing a professional and personal relationship that supports the goals set by the employee and mentor.

A detailed Mentorship Plan will be submitted within **3 months** of commencement of mining. In order to comply with Regulation 46 (b) (iii) the following will be provided:

- Identification of areas that require mentoring
- Identification of mentors and mentees;
- Focus on career progression targets,
- employment equity targets, interns and bursars;
- Breakdown of gender targets.

2.6 BURSARY AND INTERNSHIP PLAN

2.6.1 Introduction

RMC endorses the need to adopt a pro-active strategy which is aimed at transformation and the need to address social inequalities by expanding the opportunities of historically disadvantaged persons to enter the mining and minerals industry. The scarcity of skills is identified and acknowledged as a barrier to entry and development in the mining sector. The objective of the Bursary Scheme is to promote access to job opportunities and to correct the imbalance of participation and inequity in the mining sector, maximise employment opportunities, enhance management skills, ensure efficient and effective governance and ensure knowledge transfer.

The Company supports the objects of the Mineral and Petroleum Development Act, 28 of 2002 ("the MPRDA") read together with the principles of the Broad Based Socio Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter"). RMC will also ensure that the contractor/s appointed by RMC also have an internship and bursary plan in place that complies with the required legislation and

the principles of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter").

2.6.2 Components of the bursary plan

Internal bursaries

The focus of the internal bursary programme will be on RMC employees who have the relevant qualifications and who express an interest in furthering their studies in mining and business related courses. Given the limited number of RMC employees (23) the number of bursaries offered will be limited to 2 per annum. Due to the relative small number of RMC employees it will not be possible to provide bursaries for full time studies as this would impact negatively on the company and its ability to operate effectively. The focus of the bursary plan for the first 5 years of the mine will be funding the costs of part-time courses.

The selection criteria for internal bursaries will include:

- Acceptable matric pass that would enable entry to a university or technical college;
- Field of study and demand for a particular discipline;
- Representation: The bursaries will target HDSA's men and women with a stated objective of achieving 50% representation of HDSA women;
- South African citizenship/permanent residence.

Employees that apply for bursaries will be informed by the HRM and via the mentorship programme. A short list of potential candidates will be interviewed by the HRM.

Once the recipients have been identified an award letter will be forwarded to the successful candidates who will be required to confirm their acceptance of the award. In the case of the candidates who wish to study at tertiary institutions, a letter of acceptance must also be provided by the students in question. After confirmation by the students of the acceptance of the award, institutions shall be notified of the sponsorship. On confirmation of acceptance by the Institutions, and the employees' acceptance of the award, a bursary award contract shall be forwarded to employees for signature. The contract sets out the terms and conditions of the award of the bursary. The bursary shall not be awarded or implemented unless and until the bursary award contract is entered into.

Table 2.11 summarises the allocation of internal bursaries over first 5 year mining period. The value of the bursaries has been increased by 5% per annum to take into account inflation.

Table 2.11: Internal Bursary Plan

Bursary Field	Targets and timelines*					Total budget (R)
	2018	2019	2020	2021	2022	
Mining and technical	1		1		1	
Administration	1	1		1	1	
Financial management		1	1	1		
Total number	2	2	2	2	2	
Budget (Rand)	30 000	31 500	33 075	34 729	36 465	165769

*Start dates are dependent on the timing of the granting of the Mining Right and Water use license.

External bursaries

The focus of the external bursary programme will be on children from local schools in the immediate vicinity of the mine. The target group will be HDSA Grade 10, 11 and 12 pupils from the local high / secondary schools. The potential bursary students at the local high / secondary schools will be identified in consultation with the local headmasters and teachers. The aim of the bursaries will be to cover schools fees for those students selected. From this group of learners some students may express and interest and have the potential to further their studies in the mining field. These students will be encouraged to apply to RMC for bursary support for their studies.

In terms of notify potential candidates:

- The local school principals will be contacted and informed of the bursary programme for school children;
- Notices will also be placed in the local schools informing the children of the bursary scheme and providing details on how to apply;
- Application forms shall be lodged with the schools as well as supplied to applicants on demand;
- A short list of potential candidates will be interviewed by the HRM.

The selection criteria for high / secondary schools candidates the selection criteria will include:

- Maths and science taken at the higher grade;
- Good academic records;
- Financial circumstances;
- Representation: The bursaries will target HDSA's men and women with a stated objective of achieving 50% representation of HDSA women;
- South African citizenship/permanent residence.

A total of 9 bursaries for school fees will be awarded per annum. Students in grade 10 and 11 who are awarded bursaries will be awarded new bursaries for the following year should they pass their standards.

The bursary will be used to cover:

- School fees;
- Books and stationery;
- Transport where required;
- Nutrition where applicable.

Table 2.12 summarises the allocation of external bursaries over first 5 year mining period. The value of the bursaries has been increased by 5% per annum to take into account inflation.

Table 2.12: External Bursary Plan

Bursary Field	Targets and timelines*					
	2018	2019	2020	2021	2022	Total budget (R)
Grade 10	3	3	3	3	3	
Grade 11	3	3	3	3	3	
Grade 12	3	3	3	3	3	
Total number	9	9	9	9	9	
Budget (Rand)	72 000	75 600	79 380	83 349	87 516	397 845

*Start dates are dependent on the timing of the granting of the Mining Right and Water use license.

Internship programme

RMC will implement an internship programme with a focus on technical, mining related disciplines and broader life skills that are transferable and may be applied in the greater community. The internship programme will focus on RMC staff.

A detailed Internship Plan will be submitted within **3 months** of commencement of mining. In order to comply with Regulation 46 (b) (iv) the following will be provided:

- Identification of criteria for internships and areas of learning;
- Provide learning in line with the needs of the community;

A detailed Internship Plan will include targets, timeframes, procedures for implementation and budgets. Table 2.13 provides an initial indication of the potential internship areas, numbers and budgets. The budget has been increased by 5% per annum to take into account inflation. This table will be up-dated as part of the Internship Plan.

Table 2.13: Internship Plan

Internship Areas / Disciplines	Targets and timelines*					
	2018	2019	2020	2021	2022	Total budget (R)
Mining and technical	1		1		1	
Administration		1		1		
Financial		1		1		
Human Resources	1		1		1	
Total number	2	2	2	2	2	
Budget (Rand)⁷	24 000	25 200	26 460	27 783	29 172	132 615

*Start dates are dependent on the timing of the granting of the Mining Right and Water use license.

⁷ Budget based on R 12 000 allocated per intern per annum. The budget has been increased by 5% per annum to allow for inflation.

2.7 EMPLOYMENT EQUITY PLAN

2.7.1 Introduction

RMC is committed to meeting the targets of 40% HDSAs in management positions and 10% women through targeted recruitment at the start of the mining operation, the ambition being that the targets be achieved as close to 2018 as possible, failing which within three years of the commencement of mining being from H2'2017. RMC is also committed to the promotion of employment equity and the elimination of all forms of unfair discrimination as envisaged by the Employment Equity Act.

The RMC is a newly formed BBBEE company that was set in order to establish the Rietvlei Coal Mine. The company currently employs no full time mining related employees. The employees will be appointed once the mining licence has been granted.

The Employment Equity Plan will be informed by the information on RMC employment equity profile provided in Form S and will be developed in consultation with the representative trade unions, or in an absence of a recognised trade union, with employees or their nominees. Based on the gaps in the employment equity profile the Workplace Skills Development Plan, Learnership, Career Development Plan and Mentorship Plans will be linked to the Employment Equity Plan so as to ensure that HDSAs are provided with the required opportunities to be promoted within the company. Where it is not possible to fill posts from within the mine, HDSAs will, wherever possible, be recruited externally.

The HRM will be responsible for the development and implementation of the Employment Equity Plan. In undertaking this role the HRM will be responsible for preparing the Annual Report to be submitted to the Department of Labour on the 1st October each year as required by law. An external auditor will be appointed to monitor progress against RMCs Employment Equity targets. The Annual Report will include sections dealing with progress against targets.

The employment equity plan represents the critical link between the current workforce profile of the Company and possible barriers to employment policies and procedures and the implementation of remedial steps to ultimately result in employment equity at the Company in accordance with the objectives of the Equity Act, the MPRDA and the Mining Charter itself.

The employment equity plan will be finalized after consultation with the nominated representatives of the employees of RMC and in accordance with the Code of Good Practice: Preparation, Implementation and Monitoring of Employment Equity Act, 55 of 1998, bearing in mind the Company's obligations under item 4.2 of the Mining Charter. RMC will ensure that the contractor/s appointed by RMC also implement an employment equity plan that complies with the required legislation and the principles of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry ("the Mining Charter").

The duration of the RMCs employment equity plan is for a period of 3 years to ensure that the Company makes reasonable progress towards achieving employment equity. Item 4.2 of the Mining Charter refers to a period of five (5) years within which companies must establish 40% HDSA and 10% women participation in management.

As indicated above, the appointment of contractors to undertake the work required will take place once the Mining Right application has been approved. Accurate information on employment equity statistics for the contractor staff (mining and plant) and RMC staff will only be available once the appointments have been made. **Form S** (Annexure 3) will be submitted within **3 months** of the commencement of mining activities.

2.7.2 Employment equity targets

It is the intention of RMC to meet and strive to exceed the timeframes set by the Mining Charter of 40% HDSA and 10 % women participating management within the five years of the commencement of mining through targeted recruitment during the initial ramp-up of the operation, however a more moderate view has been reflected in Table 2.14 below as a skills audit is required to fast track this process.

Table 2.14: Employment equity targets

	2018	2019	2020	2021	2022
HDSA	10 %	25 %	40 %		
Women	5 %	8 %	10 %		

2.7.3 Implementation of employment equity plan

To meet the equity targets RMC will adopt the following measures:

- Appointment of suitably qualified HDSAs through targeted advertising and adherence to unbiased selection criteria;
- Identifying HDSAs and female employees who have the potential to be fast-tracked particularly in supervisory and management positions;
- Training and development of HDSAs and women by investigating learnerships and considering the expansion of RMCs internship programme;
- Accelerated training for new HDSAs and female recruits with high potential and implementation of job mentoring and coaching;
- Implementing management development training programmes to enhance skills and develop the potential of HDSAs and women;
- Implement measures to create a corporate culture affirms diversity in the workplace and harnesses the potential of all employees through programmes for all staff, including management, contextualising employment equity and sensitising employees with regard to issues such as race, diversity, gender, disability and religion.

Dispute resolution

Should any dispute related to the implementation and application of this employment equity plan be raised by any employee/s RMCs existing grievance procedure will apply. In the event no resolution is possible, either party will be entitled to refer the matter for resolution in terms of the Equity Act.

Communication

RMC will ensure that the aims, objectives and targets of the employment equity plan are communicated to all employees.

Monitoring and evaluating the plan

Records will be kept by the Company to effectively monitor and evaluate the employment equity plan. The employment equity forum will also meet bi-annually to monitor and evaluate the implementation of the plan.

A detailed Equity Plan will be submitted within **3 months** of commencement of mining. The plan will comply with Regulation 46 (b) (v) and will include targets, timeframes and procedures for implementation.

SECTION 3: LOCAL ECONOMIC DEVELOPMENT

3.1 INTRODUCTION

RMC is committed to the socio-economic development of the region, the local area and community in which the proposed mining operations are located. Specifically, RMC is committed to addressing poverty and supporting social up-liftment of the mining area and relevant labour sending communities through its contribution to local economic development (LED) programmes and initiatives. The proposed mine is located within Ward 9 of the Steve Tshwete Local Municipality (STLM), which is a largely rural area. The commitment to local development programme and initiatives will therefore focus on activities within Ward 9.

3.2 SOCIAL AND ECONOMIC BACKGROUND INFORMATION

3.2.1 Regional and local setting

The Rietvlei Coal Mine is located in Ward 9 of the Steve Tshwete Local Municipality (MP 313), approximately 27 km north east of the Middelburg. The STLM is a category B municipality and covers an area of 3,976 km² and consists of two primary urban nodes. The Middelburg/Mhluzi node, which functions as the areas commercial centre, and the smaller Hendrina/Kwazamokuhle located near the south/east boundary.

The STLM is one of six local municipalities that make up the Nkangala District Municipality (NDM). The other local municipalities are the Victor Khanye Local Municipality (MP 311), Emalahleni Local Municipality (MP 312), Emakhazeni Local Municipality (MP 314), Thembisile Hani Local Municipality (MP 315) and Dr J S Moroka Local Municipality (MP 316). The area of the District covers a total area of approximately 16,892 km². The town of Middelburg serves as the administrative seat for both the STLM and NDM.

3.2.2 Demographic profile

3.2.2.1 Population

As indicated in Table 3.1., the population of the NDM increased by from 1 018 422 in 2001 to 1 308 129 in 2011, which represents an increase of ~ 28%. The population of the STLM increased from 142 772 in 2001 to 229 831 in 2011, which represents a significant increase of 60.9% over the same period. This represents an average annual increase of ~ 2.5 % and 4.76 % for the NDM and STLM respectively. The majority of the population in the STLM are Black Africans (74%), followed by Whites (22%) and Coloureds (2.6%). In terms of gender, 51.9% of the STLM population were males and 48.1% females. This is largely due to the prominent role played by the mining sector in the STLM and the nature of industries around the municipality area which tend to be more male oriented.

The increase in the population in both the NDM and STLM was linked to an increase in the 15-65 and 65 years and older age groups. The increase in the economically active age group of 15-65 years in the STLM is likely linked to the influx of job seekers to the area from the surrounding rural areas in the province. This is also reflected in the decrease in the dependency ratios in both the NDM and STLM (see below). This highlights the economic importance of the area and towns such as Middleburg and Emalaheni (Witbank). As expected, the number of households in both the NDM and STLM increased between 2001 and 2011. In the STLM the number of households increased from 36 229 to 64 971, and increase of almost 80%. The size of the household sizes in both areas decreased marginally from 3.9 to 3.5 in the NDM and 3.8 to 3.3 in the STLM.

The dependency ratio in both the NDM and STLM decreased from 60.7 to 50.4 and 49.2 to 41.5 respectively. The decrease in the NDM as indicated was significant. The age dependency ratio is the ratio of dependents, people younger than 15 or older than 64, to the working, age population, those ages 15-64. The decrease represents a positive socio-economic improvement, and reflects a decreasing number of people dependent the economically active 15-64 age group. As indicated above, there has been an increase in the percentage of economically active people in both the NDM and STLM. The dependency ratios for both the NDM and STLM are lower than the provincial and national ratios, which were 56.0 and 52.7 in 2011 respectively. Over the past 50 years, the value for this indicator has fluctuated between 84.43 in 1966 and 53.29 in 2010.

Table 3.1: Overview of key demographic indicators for the NDM and STLM

ASPECT	NDM		STLM	
	2001	2011	2001	2011
Population	1 018 422	1 308 129	142 772	229 831
% Population <15 years	33.4	28.5	29.6	25.0
% Population 15-64	62.2	66.5	67.0	70.7
% Population 65+	4.4	5.0	3.3	4.3
Households	245 429	356 911	36 229	64 971
Household size (average)	3.9	3.5	3.8	3.3
Dependency ratio per 100 (15-64)	60.7	50.4	49.2	41.5

Source: Compiled from StatsSA Census 2011 Municipal Fact Sheet

The population of Ward 9 was 6 629 in 2011. Of this total the majority were African (90 %), followed by Whites (8.9 %) and Coloureds (<0.5 %) (Table 3.2)(Table 3.2).

Table 3.2: Population of STLM and Ward 9

	STLM		Ward 9 STLM	
	Number	% of total	Number	% of total
Black African	169 050	74	5 964	90
Coloured	5 985	2.6	45	<0.5
Indian or Asian	3 699	1.6	3	<0.5
White	50 185	21.8	594	8.9
Total	229 831	100	6 630	100

Source: Census 2011

3.2.2.2 Gender and age

In terms of gender the majority of the population in both the STLM (51.9%) and Ward 9 of the STLM (52.7)(Table 3.3). This reflects the dominant role played by the mining in the local economy.

Table 3.3: Gender distribution STLM and Ward 9 STLM

	STLM		Ward 9 STLM	
	Number	% of total	Number	% of total
Male	119 410	51.9	3 495	52.7
Female	110 421	48.1	3 135	47.3
Total	229 831	100	6 630	100

Source: Census 2011

In terms of age structure 71 % and 66 % of the population within the STLM and Ward 9 fell within the economically active age group of 15-64, while 25 and 28 % were 14 or younger and 8% and 6 % were 65 years or older respectively (Table 3.4).

Table 3.4: Age distribution STLM and Ward 9 STLM

	STLM		Ward 9 STLM	
	Number	% of total	Number	% of total
0-14	57 570	25	1 888	28
15-65	162 411	71	4 361	66
65-	9 850	4	381	6
Total	229 831	100	6 630	100

Source: Census 2011

3.2.2.3 Employment

The official unemployment rate in both the NDM and STLM also decreased for the ten year period between 2001 and 2011. In the NDM the rate fell significantly from 43.8 to 30.0 %, a decrease of 13.8 %. In the STLM the unemployment rate decreased from 35.4 % to 19.7 %, a decrease of 15.7 %. Youth unemployment in the NDM does however remain high at 39.6 %. The youth unemployment rate in the STLM has however decreased significantly from 47.0% to 27.1% (Table 3.5). The unemployment rate for females in the STLM was 37.1% compared to 20.8% for males. This reflects the dominant role played by the mining sector in the STLM economy.

Table 3.5: Employment in NDM and STLM

	NDM		STLM	
	2001	2011	2001	2011
Unemployment rate (official) - % of economically active population	43.8	30	35.4	19.7
Youth unemployment rate (official) - % of economically active population 15-34	56.5	39.6	47.0	27.1

Source: Compiled from StatsSA Census 2011 Municipal Fact Sheet

3.2.2.4 Education levels

The education levels in both the NDM and STLM have improved, with the percentage of the population over 20 years of age with no schooling dropping in the NDM decreasing from 24.9 1% to 11.5 %. For the STLM the decrease was from 18.2 % to 7.4 %. The percentage of the population over the age of 20 with matric also increased in both the NDM and STLM, from 20.1 % to 29.4 % in the NDM and 25.0 % to 35.0 % in the STLM (Table 3.6). The higher overall education levels in the STLM reflect the developed nature of the STLM compared to other parts of the NDM and the key economic role the municipality plays at both the district and provincial level.

Table 3.6: Education indicators for the NDM and STLM

	NDM		STLM	
	2001	2011	2001	2011
No schooling - % of population 20+	24.9	11.5	18.2	7.4
Higher Education - % of population 20+	6.2	10.2	8.9	14.4
Matric - % of population 20+	20.1	29.4	25.0	35.0

Source: Compiled from StatsSA Census 2011 Municipal Fact Sheet

3.2.2.5 Household income

Approximately 13 % of the households in the STLM and 7 % in Ward 9 reported that they had no annual income. An additional 7 % and 8 % of the households in the STLM and Ward 9 earned R 9 800 per annum or less (Table 3.7). This equates to R800 or less per month, which is regarded as the poverty margin. Based on these figures the annual household income of ~ 20% and 15 % of households in the STLM and Ward 9 falls below the poverty line.

Table 3.7: Annual Household Incomes

	STLM		Ward 9 STLM	
	No. of households	% of households	No. of households	% of households
No income	8 305	13	93	7
R1 – R4800	1 721	3	42	3
R4801 – R9600	2 727	4	65	5
R9601 – R19200	7 356	12	300	23
R19201 – R38400	10 467	16	308	23
R38401 – R76800	11 074	17	266	20
R76801 – R153600	9 294	14	119	9
R153601 – R307200	7 396	11	77	6
R307201 –	4 580	7	39	3

R614400				
R614401 – R1228800	1 462	2	10	<0.5
R1228001 – R2457600	339	<0.5	3	<0.5
R2457601 and more	251	<0.5	3	<0.5
Total	64 972	100	1 325	100

Source: Census 2011

3.2.2.6 Housing and municipal services

In terms of percentage of formal dwellings, the number of formal dwellings in the NDM increased from 74.8 % in 2001 to 82.8 % in 2011. In the STLM the number of formal dwellings also increased from 73.9 % to 83.0 % for the same period. This represents a positive socio-economic improvement for the area.

As indicated in Table 3.8, the provision of an access to municipal services as measured in terms of flush toilets, refuse removal, piped water and electricity, increased in both the NDM and STLM for the period 2001 to 2011. The figures for the NDM and STLM are also higher than the figures at a provincial level. These improvements will have contributed to the overall improvement in the quality of life of the residents of the NDM and STLM. However, having said this, access to services in the NDM and STLM is still regarded as low, and in the case of NDM, are lower than the national levels. The national figures for flush toilets, refuse removal, piped water and electricity are 57%, 62%, 46% and 84.7% respectively. The services levels in the STLM are however higher than the national levels.

Table 3.8: Overview of access to basic services in the NDM and STLM

	NDM		STLM	
	2001	2011	2001	2011
Households	245 429	356 911	36 229	64 971
Household size (average)	3.9	3.5	3.8	3.3
Formal Dwellings %	74.8	82.8	73.9	83.0
% households with access to flush toilet	43.8	48.7	75.7	81.9
% households with weekly municipal refuse removal	41.8	48.3	82.6	84.7
% households with piped water inside dwelling	23.8	40.6	36.3	62.2
% households which uses electricity for lighting	79.3	85.7	74.8	90.8

Source: Compiled from StatsSA Census 2011 Municipal Fact Sheet

3.3 KEY ECONOMIC ACTIVITIES

3.3.1 Sectoral economic activity

The NDM contributed 39.9% to the GDP of the Mpumalanga economy in 2009. The average annual growth rate for the district and the province over the period 1996 to 2009 was 3.1 % and 2.6 %, respectively. Despite the economic recession

experienced in 2008 and 2009, the forecasted annual growth rate going forward (2009-2014) is 3.4 % for the province and 3.3 % cent for the NDM (Figure 3.1).

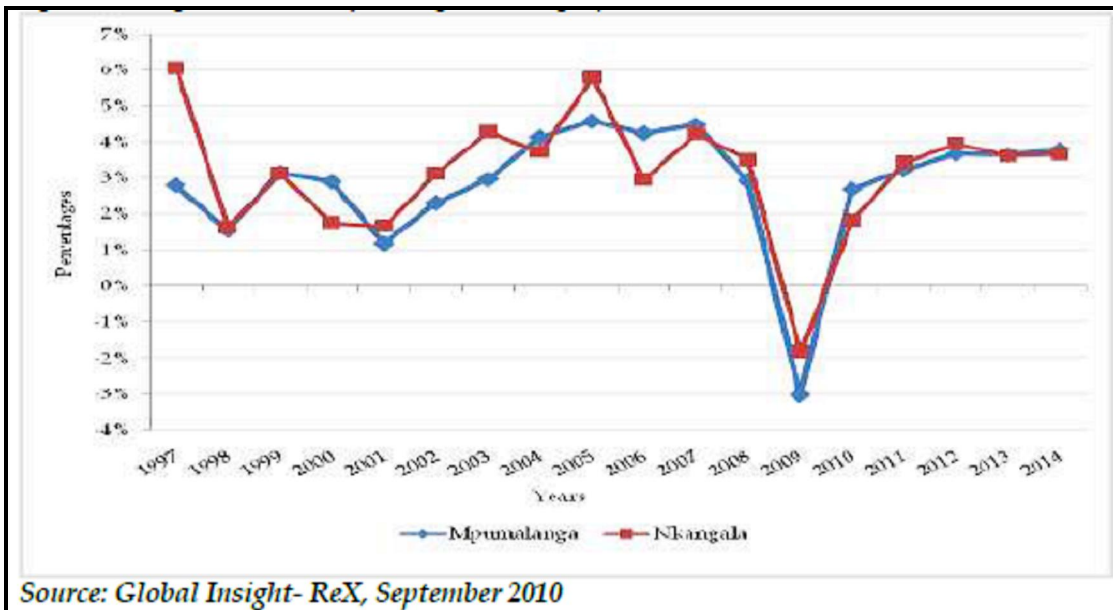


Figure 3.1: GDP growth rates for Mpumalanga and Nkangala DM, 1997-2014

In terms of contribution by each economic sector in the NDM to the provincial GVA in 2001 and 2009, the district made significant contributions to the provinces electricity (71.9 %) and mining (67.9 %) sectors. This highlights the importance of these two sectors in the NDM. Agriculture made the smallest contribution to the provincial GVA of 23.3 per cent (Figure 3.2).

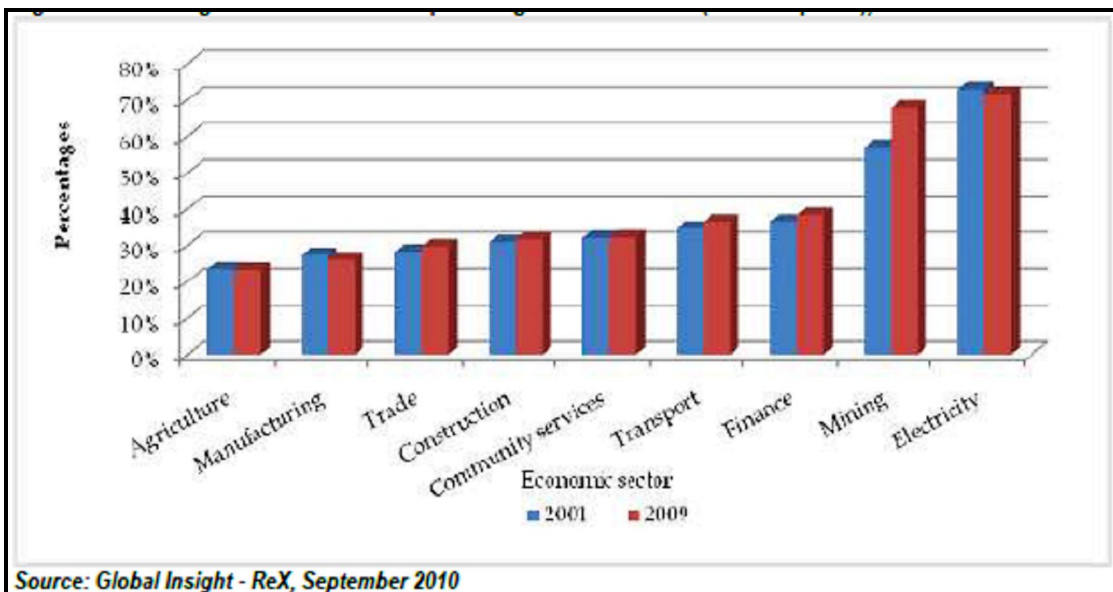


Figure 3.2: Nkangala's contribution to Mpumalanga's sectors - GVA (constant prices), 2001 & 2009

The three largest contributors to the economy of the NDM in terms of gross value added (GVA) to the district economy were mining (29.7 %), community services (14.0 %) and finance (13.5 %). The most important economic sectors in the STLM were mining (32%), manufacturing (24.2%) and finance (14%) (Table 3.9)

Table 3.9: Sectoral contribution to regional GVA (constant prices), 2009

Sector	Nkangala	Victor Khanye	Emalahleni	Steve Tshwete	Emakhazeni	Thembisile	Dr JS Moroka
Agriculture	1.9%	12.6%	0.5%	2.2%	4.0%	0.7%	2.3%
Mining	29.7%	16.1%	35.0%	32.0%	23.3%	4.3%	0.0%
Manufacturing	12.2%	4.2%	5.2%	24.2%	6.7%	6.3%	2.6%
Electricity	8.9%	0.7%	14.4%	4.9%	2.7%	3.1%	3.6%
Construction	2.1%	2.1%	2.3%	1.5%	2.5%	2.9%	3.4%
Trade	8.9%	11.6%	8.6%	5.8%	8.7%	27.7%	13.1%
Transport	8.8%	17.3%	9.1%	5.6%	26.8%	9.5%	8.1%
Finance	13.5%	15.6%	14.4%	14.0%	9.5%	6.5%	8.0%
Community services	14.0%	19.8%	10.4%	9.8%	16.0%	39.0%	58.8%
<i>Primary sector</i>	31.6%	28.7%	35.5%	34.2%	27.2%	5.0%	2.4%
<i>Secondary sector</i>	23.2%	7.0%	21.9%	30.6%	11.8%	12.3%	9.6%
<i>Tertiary sector</i>	45.2%	64.3%	42.5%	35.2%	60.9%	82.7%	88.1%

Source: Global Insight – ReX, September 2010

In terms of employment, most important sectors were the trade (23%), followed by mining (17%) and community services (10%) sector (Figure 3.3). Figure 3.3 also indicates that while mining used to be regarded as relatively labour intensive sector in the past there has been a shift to more mechanised modes of production.

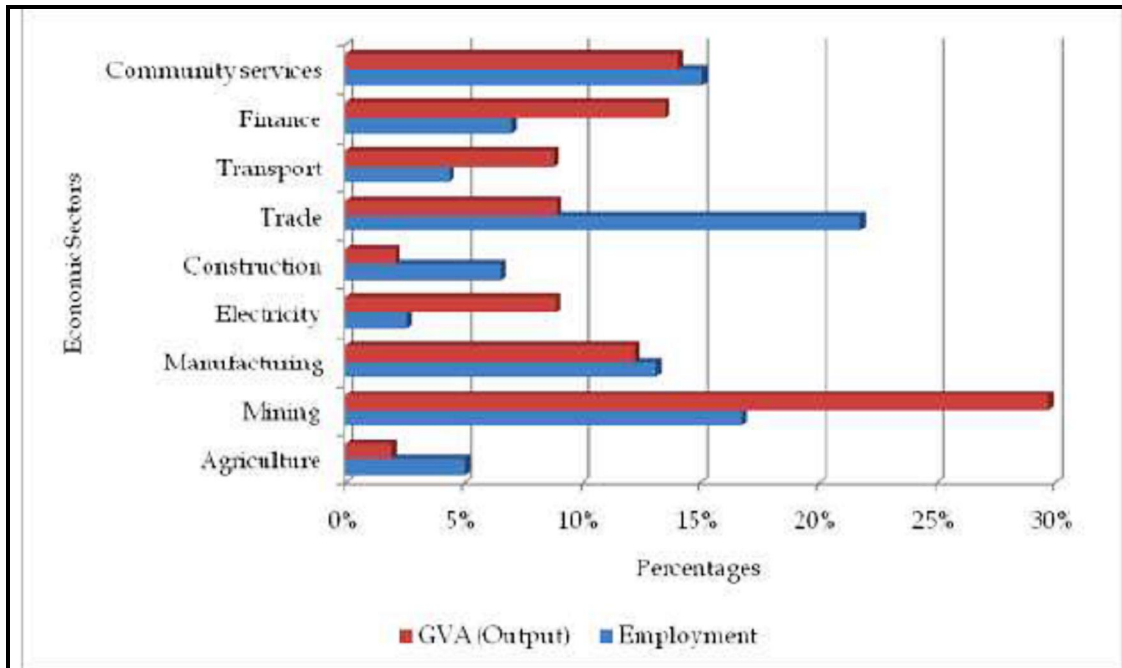


Figure 3.3: Comparison of Nkangala’s sectoral employment and output contribution, 2009

3.4 ECONOMIC IMPACT OF THE MINING OPERATION

Expenditure on the construction and operation of the mine will lead to positive economic impacts as they would create employment opportunities and constitute an injection of capital into the local and regional economy resulting in increased commercial activity. The following impacts for the construction/establishment phase and operational phase are likely to be associated with the projected expenditure on the project.

3.4.1 Economic impact of construction/establishment phase

Based in the available information the plant will be fabricated and assembled off-site. The plant modules will be transported to site and assembled on location. On-site construction activities in the form of excavations, road construction, the erection of offices, workshops and associated facilities, etc. will occur concurrently with the off-site preparations. The establishment of the mine and plant will extend over a period of approximately 3 years. The capital expenditure during year 1 will be ~ R 102 million, year 2, R 244 million and year 3, 58.4 million. The total capital expenditure associated with the establishment phase will therefore be in the region of R 404.4 million (2015 rand values)

Local engineering and construction companies in the area are likely to be involved in and benefit from the construction phase which will extend over a three year period. The construction phase will create significant benefits to the local area and region (i.e. STLM and NDM) over the three year establishment phase of the mine.

In terms of employment opportunities, the establishment phase will create approximately 180-200 on-site construction related jobs over a three year period. Of

this total 80 will be associated with the mining contractor, 40 with the plant contractor and 80 with other mining related activities, such as fencing, earthworks and road construction, pollution control dam construction, construction of office buildings, workshop and change rooms and establishment of substation and associated overhead power line. Given the nature of the work 10% of the construction workers will be supervisory and technical staff and the remaining 90% will be skilled staff. The total wage bill for the three year establishment phase is estimated to be in the region of R 240 million (2015 rand values).

RMC are committed to hire local contractor(s) that conform with BBBEE requirements. This will ensure that the majority of the job opportunities benefit local HDSAs. Given the prominent role played by the mining sector in the region the majority of workers are likely to come from the area. It is therefore unlikely that a significant number of workers will need to be imported from outside the local area or region for the construction phase. The bulk of the R 240 million wage bill earned during the establishment phase will therefore be spent in the local economy of the STLM and NDM. This would represent a significant benefit to the local economy. These benefits will be associated with the three year establishment phase.

3.4.2 Economic impact of operational phase

The operational phase will create approximately 143 permanent jobs over the 20 year Life of Mine. Of this total ~ 80 will be employed by the mining contractor, 40 by the plant contractor and 23 by RMC. Based on the information contained in the Mine Works Plan (MWP) the total wage bill for RMC staff over the 20 year LoM will be ~ R 217 million. In addition, R 237 million will be spent on skills and services provided by professional service providers. The wage bill earned by the mining and plant contractors over the 20 LoM will be ~ R 1 billion (2015 rand values). The wage bill earned by security and maintenance providers over the 20 LoM will be ~ 12 million (2015 rand values).

The total wage bill for the 20 LoM will therefore be in the region of 1.5 billion (2015 rand values). This represents a significant injection of income into the local economy. Given the prominent role played by the mining sector in the region the majority of workers employed by the mining and plant contractors are likely to come from the area. The bulk of the wage bill earned during the establishment phase will therefore be spent in the local economy of the STLM and NDM. This would represent a significant benefit to the local economy.

Based on the information from the MWP, which is based on feasibility modelling, expenditure on service providers will start out at R 3.6 million in year one, increase to R 10.8 million in year two and level out at R 12.3 million for the remaining 18 years of the Life of Mine (all in 2015 money values). The total expenditure on services over the 20 year LoM will therefore be in the region of R 237 million. Given the commitment of RMC to employ locally based BBBEE contractors and service providers the bulk of the expenditure will benefit HDSAs and locally based companies. This will represent a significant injection of capital into the local economy. Maintenance will also be carried out by locally based contractors. In addition, the mine will create opportunities for local services providers, specifically catering, cleaning, security and transport companies. Product transport will require a local hauler to transport the mine output from the site to a siding of choice or to an Eskom Power Station. The workers employed by the mining and plant contractor will

need to be transported to and from the site on a daily basis and food will need to be provided. All of these activities associated with the operational phase will create indirect employment opportunities for locally based service providers, which in turn will benefit the local STLM economy. These benefits will extend over the expected 20 year Life of Mine.

In addition to expenditure on services providers the estimated operations expenditure will be ~ R 8.6 billion over the 20 year LoM. This will include R 2 billion on fuel, R 44 million on electricity, R 11 million for water, R4.958 billion for stores and materials and R 1.8 billion for other purchases. This represents an additional significant injection of capital into the local, regional and national economy over the 20 year operational phase of the mine.

3.5 ALIGNMENT WITH INTEGRATED DEVELOPMENT PLANS

As part of the IDP review the STLM engaged in to an intensive community consultation that was done at a ward level in line with the community based planning approach. The key needs identified for Ward 9 for the five year period 2012-2017 are listed in Table 3.10.

Table 3.10: List of needs for Ward 9 identified in STLM IDP

Bankfontein	Ipani
• Community hall, Clinic, Library (MPCC).	• Request for clinic.
• Naming of the streets.	• Electricity to neighbouring farms.
• Road markings.	• Grading of farm roads to give access to water trucks.
• Creation of additional residential stands.	• Bridge in N4 Freeway.
• Post office.	• Cemetery at Somaphepha.
• Police Station.	
• Dumping site.	
• Projects for women (job creation).	
• Pay point for pensioners + electricity.	
• Upgrading of sports facilities.	
• Need for house water connection.	
• Site for crèche.	
• Speed humps in the village and at the school.	
• Electricity, water and sanitation at Hlanganani and the farms.	
• Taxi rank.	
• Church sites.	
• Site for cemeteries.	
• Provision of a site for the royal kraal.	
• Construction of a proper access road from the main road to the village.	
• Pedestrian passages within the village.	

Bankfontein	Ipani
<ul style="list-style-type: none"> • High masts in the village. 	
<ul style="list-style-type: none"> • Construction of water borne toilets. 	
<ul style="list-style-type: none"> • Fencing of the school and upgrading of the school facilities (toilets and classrooms). 	

In terms of Local Economic Development (LED) the STLM IDP lists a number of priority issues. The priority issues that are relevant to the Rietvlei SLP are listed in Table 3.11 below. The IDP links the priority issues to the different wards. Where relevant the references to Ward 9 are indicated in Table 3.11.

Table 3.11: List of priority issues and strategic objectives identified in STLM IDP for Ward 9

Priority Issue	Strategic Objective	Relevance to Ward 9
Priority Issue 4: Local Economic Development and Job Creation	<u>Strategic Objective:</u> To ensure a better life for the society by coordinating sustainable social and economic developmental programmes	Ward 9: LED project for women(12/13) Taxi Rank (12/13)
Priority issue 7: Community Facilities	<u>Strategic Objective:</u> To provide municipal building and facilities while upgrading existing ones <u>Strategic Objective:</u> To ensure provision of affordable and sustainable basic services by upgrading existing and providing new infrastructure <u>Strategic Objective:</u> To ensure provision of affordable and sustainable basic services by upgrading existing and providing new infrastructure <u>Strategic Objective:</u> To ensure provision of affordable and sustainable basic services by upgrading existing and providing new infrastructure.	Ward 9: Clinic Ward 9: Cemetery at Somaphepha Ward 9: Provide new parks while upgrading existing parks and open areas according to the prioritized community needs. Ward 9: Grading of farm roads to give access to water trucks
Priority issue 11: Education and Libraries	<u>Strategic Objective:</u> To contribute towards a healthy, well informed and environmentally safe community	Ward 9: Contribute to upgrade of library at local school/s
Priority Issue 12: Municipal and Primary Health Care	<u>Strategic Objective:</u> To contribute towards a healthy, well informed and environmentally safe community.	Ward 9: Clinic
Priority issue 14: Youth Development	<u>Strategic Objective:</u> To contribute towards a better life for the communities by coordinating sustainable social and economic developmental programmes.	Potential opportunity for Ward 9: Youth Development Centre, Skills development centre, Youth LED project and Youth facilities
Priority Issue 15: Recreation, Moral Regeneration, Arts, Culture and Sports	<u>Strategic Objective:</u> To contribute towards a better life for the communities by coordinating sustainable social and economic developmental programmes.	Potential opportunity for Ward 9 Promote sports participation in the community and at schools.

The Director: Development and Strategic Support of STLM, Ms Sybil Madlopha, was contacted during the preparation of the initial SLP and a meeting was held with Ms

Sybil Madlopha and the Ward Councillor for Ward 9, Councillor J Skhosana, to discuss and finalise the details regarding projects that will benefit from the local economic development associated with the Rietvlei Mine. A follow up meeting was held with Ms. Madlopha on the 27th of October 2015 to reconfirm the priorities of Ward 9. It was agreed in this meeting that follow up meetings will be undertaken within **3 months** of the commencement of mining to review the projects to ensure that RMC effectively supports the STLM development plans. The contact details for the Director are provided below:

- Ms Sybil Madlopha, Steve Tswhete Local Municipality: Director: Development and Strategic Support: 013-249 7007, 0828039284, sybilm@stlm.gov.za.

The letter from DMR, dated 2 October 2015, commenting on the Draft SLP, notes that the upgrading of the Kinross Public Park should be supported as part of the RCMs contribution to LED in the STLM. However, based on discussions with Ms Sybil Madlopha (27th of October 2015) the IDP projects that were identified included:

Infrastructure projects

Contribution to projects in Ward 9, specifically projects linked to the creation of residential stands, a community centre to improve service delivery, high mast lighting to combat crime and social ills, water connections with Somaphepha to meet the expanding community and a regional project to expand the reservoir for bulk water provision.

Income generating projects

The STLM has an initiative for Node D to create a business park for small businesses that are currently scattered through the townships around the region. The strategy being to grow the various disconnected businesses into a thriving hub for entrepreneurship and growth.

This selection of projects will assist a range of vulnerable groups in the area, including women, the youth and elderly. Table 3.12 provides a summary of the proposed budget allocated to each project over a five year project. Annexure 4 contains a copy of the letter from the STLM regarding the projects discussed as well as notes taken at a meeting held on the 27th of October.

Table 3.13-3.15 provides a summary of each of the six projects identified. Based on the most recent modelling the average annual contribution to LED could be ~R 1.5m (in 2015 money values). This is 1% of average net revenue, which is estimated at R 146 million per year over the life of the mine. For the purposes of the SLP R 250 000 has been allocated equally to each of the six projects per annum. However, it should be noted that there remains a degree of uncertainty around the future results of the project until such time as an off-take agreement is in place and the mine has ramped up to full production in 2018.

To ensure that RMC delivers a meaningful contribution to LED follow up discussions will be held with the STLM LED and IDP Manager and representatives from the identified projects on confirmation of the mining licence as well as closer to the operation reaching full production to ensure that the contribution is equitable. Furthermore, it is likely that the priorities of the STLM may change over the next period and follow up discussions will ensure the most relevant projects are addressed. Based on the outcomes of these discussions the allocation to each project will be revised.

Table 3.12: Summary of budget allocation for IDP projects (In Rand 000's)

Project	2018	2019	2020	2021	2022
Project 1: Residential Stands	R 250	R 250	R 250	R 250	R 250
Project 2: Multi-purpose Community Centre in Somaphepha	R 250	R 250	R 250	R 250	R 250
Project 3: Expansion of the reservoir	R 250	R 250	R 250	R 250	R 250
Project 4: High mast lights at Somaphepha	R 250	R 250	R 250	R 250	R 250
Project 5: Water connection in households at Somaphepha	R 250	R 250	R 250	R 250	R 250
Project 6: Node D development and support	R 250	R 250	R 250	R 250	R 250
Total (R000's)	R 1 500	R 1 500	R 1 500	R 1 500	R 1 500

Table 3.13: Project 1-Residential Stands

Project No 1	Creation of residential stands					
	Project Background The Department of Human Settlement has donated pieces of land lying adjacent to Somaphepha Village to the STLM. A preliminary study for creating additional residential stands for farm workers and dwellers, business stands other social amenities and land for commonage purposes, has been initiated by the STLM. An additional shopping centre site has also been created in order to stimulate local economic development and bring the service to low income earners in the area.	Objectives To provide residential stands and lands for the local community and co-ordinate development in the area in order to promote health, safety, order and general welfare as well as meeting the needs of the present and future generations.				
Performance Indicators Improved facilities and resources	Target Groups Local Community	Location Somaphepha, Ward 9	Employment / Education opportunities Shopping centre and business opportunities. Consumer education			
Activities Education of 1 st time home owners. Awareness campaigns	Responsibility RMC and STLM	Time frame (2018-2022)				
		2018	2019	2020	2021	2022
		250 000	250 000	250 000	250 000	250 000
Total (Rand)		R 1 500 000				

Table 3.14: Project 2-MPCC in Somaphepha

Project No 2	Development of MPCC in Somaphepha					
	Project Background Multi-purpose Community Centre (MPCC) to house other governmental departments and a clinic to be constructed at Somaphepha.	Objectives To provide accessible government offices and facilities closer to the community.				
Performance Indicators Improved facilities	Target Groups Community of Somaphepha and rural areas	Location Somaphepha, Ward 9	Employment / Education opportunities Raise awareness of energy savings of users.			
Activities Construction and advisory services	Responsibility RMC and STLM	Time frame (2018-2022)				
		2018	2019	2020	2021	2022
		250 000	250 000	250 000	250 000	250 000
Total (Rand)		R 1 500 000				

Table 3.15: Project 3-Expansion of bulk water supply reservoir

Project No 3	Invest in regional bulk water supply.					
	Project Background Water supply required to meet expansion of rural developments			Objectives To improve bulk water supply and provide access to potable water for all		
Performance Indicators Improved access to potable water	Target Groups Regional Community of ward 9	Location Ward 9		Employment / Education opportunities To be confirmed		
Activities Improve and upgrade existing bulk water infrastructure	Responsibility RMC and STLM	Time frame (2018-2022)				
		2018	2019	2020	2021	2022
		250 000	250 000	250 000	250 000	250 000
Total (Rand)		R 1 500 000				

Table 3.16: Project 4-High Mast Lights at Somaphepha

Project No 4	Invest in community safety initiative around lighting					
	Project Background Somaphepha has security and safety concerns due to the lack of suitable lighting in and around the village.			Objectives To improve safety and reduce crime in the area.		
Performance Indicators Reduction in incidences of crime	Target Groups Community of Somaphepha	Location Somaphepha, Ward 9		Employment / Education opportunities To be confirmed		
Activities Placement and maintenance of lighting	Responsibility RMC and STLM	Time frame (2018-2022)				
		2018	2019	2020	2021	2022
		250 000	250 000	250 000	250 000	250 000
Total (Rand)		R 1 500 000				

Table 3.17: Project 5-Water connection to households in Somaphepha

Project No 5		Invest in water connectivity in community				
	Project Background Water supply required to meet expansion of rural developments	Objectives To provide access to potable water for all households				
Performance Indicators Increased access to water	Target Groups Rural farming community in Ward 9	Location Somaphepha, Ward 9			Employment / Education opportunities To be confirmed	
Activities Drilling of boreholes, erecting wind pumps and supply of "jojo" tanks	Responsibility RMC and STLM	Time frame (2018-2022)				
		2018	2019	2020	2021	2022
		250 000	250 000	250 000	250 000	250 000
Total (Rand)		R 1 500 000				

Table 3.18: Project 5-Development of Node D Business Hub

Project No 6		Investment in Entrepreneurship business Hub				
	Project Background The STLM wishes to establish a vibrant centre (hub) for entrepreneurship and business development.	Objectives To move isolated small township businesses into a central location to leverage synergies to develop the area into a thriving business hub				
Performance Indicators Improved profitability and increased employment	Target Groups STLM small businesses	Location STLM Node D			Employment / Education opportunities Multiple employment opportunities as the businesses grow and expand.	
Activities Guidance, mentorship, support. Opportunities for equity and debt funding.	Responsibility RMC and STLM	Time frame (2018-2022)				
		2018	2019	2020	2021	2022
		250 000	250 000	250 000	250 000	250 000
Total (Rand)		R 1 500 000				

3.6 MEASURES TO ADDRESS HOUSING AND LIVING CONDITIONS

No RMC workers or workers associated with contractors appointed to undertake the mining and processing operations will be accommodated on the mine. As indicated the mining and processing will be undertaken by contractors. As a result, no housing settlement will be created on or near to the mining area. It is also the intention of RMC to appoint locally based contractors. The majority of the workers employed by the contractors are therefore likely to live in STLM. The issues relating to the sustainability of the mining settlement once mining operations cease are, therefore, not applicable to the RCM.

The contractors appointed by RMC will be responsible for transporting workers to and from the mining area on a daily basis. In this regard RMC are committed to appointing a local BBBEE compliant service provider (as defined in the Mining Charter) to transport workers to and from the site.

RMC will however implement a housing and accommodation strategy in consultation with its employees and contractors, aimed at ensuring that suitable accommodation is provided for all workers employed on the mine, including the workers employed by the contractors that are appointed to undertake the mining and processing activities on the mine. The strategy will take into account factors such as the proximity of the mine to the nearest town, the type of accommodation options available and the accommodation needs of its employees. RMC will appoint contractors that agree to comply with the standards /strategies of RMC. Once a suitable contractor is appointed, RMC and contractor representatives will engage with the STLM and the Provincial Government with regard to the development and implementation of the proposed strategy and the continued alignment with the STLM IDP.

Given the relatively small number of permanent employees (23), many of which will be locally based, the provision of housing is not likely to pose a major challenge for RMC. The majority of the permanent workers appointed by RMC are likely to be accommodated in Middelburg. RMC will aim to ensure that members from the nearby settlement of Bankfontein are employed to fill the low skilled positions, such as the cleaners and security.

The following steps will be undertaken to address housing needs and living conditions

- RMC will conduct an audit of housing conditions of all workers on the mine, including workers employed by the contractors. The audit will be undertaken within 3 months of the commencement of mining and will assess the housing conditions of all employees. The findings of the audit will inform the strategies to address housing and living conditions for all workers / contractors employed on the RCM;
- RMC will discuss option of provide housing allowances for employees in order to encourage employees to rent or buy their own properties in sustainable areas;
- RMC will provide education and training programmes for employees, including contractor employees, to provide information and advice on buying or renting property. The training program will be designed to educate employees about the responsibilities of buying, owning and managing their own homes;
- RMC will assist employees that qualify, including contractor employees, to apply for government housing subsidies and loans;
- RMC will assist employees, including contractor employees, to apply for bank loans and other finance options for purchasing property.

3.7 NUTRITION

RMC will establish a canteen facility on site and negotiate access for suitable local vendors to provide meals for all workers employed on the mine, including the workers employed by the contractors appointed to undertake the mining and processing activities on the mine. RMC are committed to appointing a local BBBEE compliant service provider (as defined in the Mining Charter) to provide the catering services. Overall nutrition will be a consideration in the appointment of the service provider.

3.8 PREFERENTIAL PROCUREMENT

3.8.1 Introduction

RMC recognizes that procurement provides an effective mechanism to address the economic empowerment of historically disadvantaged South Africans ("HDSAs") and endorses the commitment set out in the Mining Charter to the effect that it is essential to create "an enabling environment for the empowerment of HDSAs" in the South African Mining industry. Clause 4.6 of the Mining Charter requires that companies operating in the mining industry must commit "to a progression of procurement from HDSA companies over a 3-5 year time frame reflecting the genuine value added by the HDSA provider".

3.8.2 Implementation of the procurement strategy

The procurement strategy will be aimed at three levels of procurement, namely:

- Capital goods;
- Consumables;
- Services.

The Company will revise the strategy and monitor its implementation on a regular basis to ensure that the Company meets its objectives in terms of this policy. In order to implement its procurement strategy RMC will:

- Endeavour to drive compliance from the start of the operation;
- Assess on an ongoing basis its current levels of procurement;
- Develop a database of HDSAs or HDSA companies that can provide capital goods, consumables and services;
- Allocate accredited HDSAs and/or HDSA companies preferred supplier status in respect of particular goods and/or services which the Company requires currently and what it anticipates will be future needs.
- Identify existing non HDSA suppliers and require them to form joint venture or partnership arrangements with HDSA companies in future dealings with the RMC;
- Interact with the Department of Trade and Industry ("DTI") to identify HDSA companies wishing to operate in the mining industry and that have the necessary capabilities to become effective procurement providers;
- Inform non HDSA suppliers to contact the DTI regarding available assistance programmes where the non HDSA supplier seeks to partner an HDSA company in providing goods and/or services.

In terms of the strategy RMC will not enter into a contract with an unknown procurement supplier with whom it has not previously contracted unless that procurement supplier has an original tax clearance certificate from the SA Revenue Services certifying that the taxes of that supplier are up to date, and that in every respect it complies with its employment law obligations (i.e. compliance with the Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Mine Health and Safety Act and Social Security legislation such as the Unemployment Insurance Act and Compensation for Occupational Injuries and Diseases Act).

RMC will continuously monitor and assess the performance of suppliers to ensure that they comply with the contract conditions. Existing suppliers or potential new suppliers that misrepresent themselves as an HDSA company in order to gain advantage from RMCs procurement policy will be de-registered as a supplier of the company and may be penalised during the performance of the contract.

A list of suppliers and their BBBEE status will be prepared and submitted within **3 months** of the commencement of mining.

SECTION 4: MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

4.1 INTRODUCTION

RMC will appoint contractors to undertake the mining and processing related activities associated with the Rietvlei Coal Mine. The number of RMC personnel directly involved with mining on the site will be limited to approximately 23. However, RMC will ensure that the contractor/s appointed by RMC is involved in the design and implementation of a Retrenchment Plan that complies with the required legislation and the principles of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry (“the Mining Charter”). The aim of the Retrenchment Plan will be to prevent unnecessary job losses, where it is possible and viable to do so, and to reduce the social and economic impact upon the individuals who are retrenched and the communities in which they reside where such communities are adjacent to the affected Mine’s operations. The plan will promote and encourage a proactive approach to the prevention or reduction of job losses occasioned by retrenchments.

4.2 ESTABLISHMENT OF A FUTURE FORUM

4.2.1 Introduction

RMC in consultation with the contractors appointed by RRC will establish a Future Forum (FF) within **3 months** of the commencement of mining operations. The FF will be made up of representatives from RMC, the contractors and employees. The main function of the FF will be to assist employees who may face retrenchment as a result of the downscaling of operations prior to the termination of their contracts due to unforeseen economic circumstances. The FF also provides an early warning system to warn management of the potential conditions that may result in retrenchments and or downscaling and provide possible suggestions on how avoid such situations.

In addition the FF will investigate ways of optimising government assistance for workers faced with retrenchment. Specifically, in terms of accessing and channelling Department of Labour (DOL) portable skills training assistance through, for instance the National Productivity Institute and Social Plan and Productivity Council, acting on behalf of DOL.

The Forum will be comprised of the HRM, representatives of relevant trade unions, elected workers, representatives from the DOL and Local Authorities (STLM). The Forum will be chaired by a representative from the DOL.

4.2.2 Role of the Future Forum

The FF will focus on assisting those employees who could face retrenchment.

- Identify ways to minimise the negative impact of retrenchments through proper consultations with the affected parties;
- Identify measures to assist those who have been affected directly by any such retrenchment in their attempt to seek alternative employment, as well as possible assistance to retrenched employees to establish small medium micro enterprises ("SMMEs") and offering appropriate skills training;
- Make recommendations on how best to offer assistance to retrenched employees to access financial assistance for SMME projects.

4.3 MECHANISMS TO SAVE JOBS, AVOID JOB LOSSES AND A DECLINE IN EMPLOYMENT

4.3.1 Introduction

One of the requirements of the Future Forum will be to establish structures to facilitate regular consultation processes between mine management and recognised trade union representatives in order to 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), RMC will develop strategies that will enable the management of the Rietvlei Coal Mine (RCM) to introduce turnaround or redeployment strategies aimed at preventing and or minimising job loss in the event of downscaling or closure.

Should prevailing economic conditions result in downscaling or closure of the RCM, the RMC will follow the following process to address potential job losses and premature closure:

- The Future Forum will be advised in advance of potential job losses and shedding and the need to provide alternative employment and job security;
- A consultation process in terms of Section 52 (1) of the Labour Relations Act LRA) of 1995 will be initiated;
- Implementation of the provisions contained in section 189 of the LRA will be undertaken consultation with necessary parties to consider alternative solutions and procedures for creating job security where losses cannot be avoided.
- Notification to the Minerals and Mining Development Board in terms of section 52 (1) (a) of the LRA will be done;
- Complying with the Minister's directive and confirming how corrective measures will be taken;
- Reorganization of working hours and operating times;
- Internal transfers to other operations were possible;
- Reskilling workers for other jobs on the mine or for jobs outside the mining sector.

4.3.2 Change in work hours

The company will consult with the relevant affected stakeholders, including relevant unions and employees, to explore mechanisms to avoid retrenchments and job losses by working shorter weeks (three or four day weeks), working shorter shifts

and hours or encouraging employees to take extended leave, early retirement or voluntary retrenchments.

4.3.3 Internal transfers to other operations

RMC will assist employees who may be retrenched in securing alternative employment with RMC and or transfer staff within the company to other operations that the company is involved in. This will provide the most direct and appropriate intervention to reduce job losses.

4.3.4 Reskilling of employees for internal and external employment opportunities

The key objective of re-skilling employees will be to increase the economic mobility of employees and enhance the opportunity for alternative employment either in a different occupation on the mine or in a job outside the mining sector.

In this regard RMC will provide alternative skills training to its employees so as to enable them to be in a better position to seek work in a greater variety of positions or occupations. The focus of this training is on subsistence, life skills and entrepreneurial activities. In addition RMC intends to:

- Apply for technical assistance and support from the National Productivity Institute (NPI) through access that is given to the Department of Labour's Advice Centres and Social Plan Centres;
- Apply to the Mining Qualifications Authority (MQA), which is the mining sector's education and training authority for applicable grants in terms of the Skills Development Act, 97 of 1998 and its regulations; and;
- Identify and consider SMME initiatives that have the potential of creating future employment opportunities in the event of large-scale retrenchment.

As part of the life skills education programme RMC will also assist employees with key retrenchment and retirement planning issues such as:

- Collection of mine pensions;
- Access to unemployment benefits, such as UIF;
- Access to state benefits for pensioners;
- Financial planning for retirement; and
- Possibilities for supplementing pension income.

The design of the HRD strategy set out Section 2 will also be geared to ensuring that employees at the RCM are provided with the relevant skills training to enable them to find alternative employment should they be faced with retrenchment.

4.4 MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED

4.4.1 Introduction

Should prevailing economic conditions result in downscaling or closure of the Rietvlei Coal Mine, the RMC will follow the following process to improve job security where job losses cannot be avoided:

- The Future Forum will be advised in advance of potential job losses and shedding and the need to provide alternative employment and job security;
- A consultation process in terms of Section 52 (1) of the Labour Relations Act (LRA) of 1995 will be initiated;
- Implementation of the provisions contained in section 189 of the LRA will be undertaken consultation with necessary parties to consider alternative solutions and procedures for creating job security where losses cannot be avoided.
- Notification to the Minerals and Mining Development Board in terms of section 52 (1) (a) of the LRA will be done;
- The implementation of a communication strategy which will:
 - Inform employees of possible retrenchments;
 - Inform other affected parties (e.g. relevant local authorities in the mining area and labour sending areas) of potential retrenchments;
 - Inform outside parties (e.g. media) of potential retrenchments at the operation.

4.4.2 Preferential recall

RMC and the contractors appointed by RMC are committed to a policy of preferential recall for retrenched personnel when vacancies become available. In this regard a database of the details of retrenched workers and associated skills (a competency profile) will be developed and maintained by RMC. This policy will be adhered to for a period of 9 months after closure, after which time the workers' names will be removed from the database, and standard labour market principles will be applied for filling any vacancies.

RMC will update the database on a regular basis. This database will include information about the retrenched personnel's skills, experience, expertise, etc. Consideration will be given to employing retrenched personnel on the list (who are suitably qualified recognising the need to achieve relevant employment equity goals) when vacancies or available positions arise within the RMC or with the appointed contractors. The FF will, where appropriate, assist retrenched personnel try and secure alternative employment.

4.4.3 Alternative solutions for creating job security

Should retrenchments be unavoidable the RMC will consult with all relevant stakeholders when considering alternatives solutions and procedures for creating job security where job losses cannot be avoided. This will include the employees who are to be affected by the changes and the representatives of the labour unions, the Minerals and Mining Development Board, the Department of Labour as well as the Local Municipality. The employees' families will be also be notified through letters and will be invited to communicate with the company in the event that they need advice or clarification about the anticipated retrenchments.

The measures that will be implemented by the RMC to identify potential alternative employment opportunities and livelihood strategies will include:

- Entrepreneurship training: The type of training will be linked to the alternative employment opportunities and livelihood strategies identified in consultation with the workers, DOL and relevant unions;
- Financial and life skills training;
- Project management and business skills training;
- Vocational skills training;

- Literacy and numeracy training programmes;
- Facilitate links with a Local Business Service Centres and other appropriate support institutions;
- Provide business support services to workers while they are still at work so that they can explore alternative employment options;
- Provide time off so that workers can undergo training before they leave their workplace;
- Skills assessments and written recognition of their prior learning, experience and qualifications;
- Assessment of potential and actual career options;
- Referrals to accredited training providers;
- Consideration for bursary initiatives;
- Provision of training on how to start and manage a business and preparing business plans;
- Assistance with preparing CV's
- Assistance with preparing for interviews;
- Assistance in identifying labour market opportunities, local economic development initiatives plus any other employment opportunities.
- Identify opportunities for employees to establish SMMEs to supply RCM with goods or services; and,
- Engage with banks and other lending institutions to explore and facilitate arrangements for workers who want to use all or part of their retrenchment packages as collateral security for business loans.

The FF will assist retrenched personnel to identify training and re-skilling options to improve his/her existing skills levels in order to find alternative employment.

The design of the HRD strategy set out Section 2 will also be geared to ensuring that employees at the RCM are provided with the relevant skills training to enable them to find alternative employment should the operations at the RCM be downscaled.

4.4.4 Identification of projects and funding

RMC and contractors will contribute an annual amount of money to the FF Trust Fund ("the Fund") which shall be formed as a social trust and which shall operate strictly in accordance with the registered trust deed. The Fund will operate within the parameters of the trust deed to assist retrenched employees to engage in alternative commercially viable activities when they are retrenched. The Company's contribution can also be used as start-up capital for small, viable business ventures for employees who are retrenched.

The FF will assist to identify appropriate SMME opportunities for employees employed by RMC and the contractor. The FF will also be responsible for identifying potential candidates from the database of retrenched personnel who could be favourably considered by the RMC and the contractor for SMME opportunities.

The FF will also be responsible for the evaluation of any new SMME opportunities that have the potential to provide employment for retrenched personnel and make recommendations to RMC and contractors in this regard. Linked to this the FF will also make recommendations to RMC and contractors with regard to financial assistance that could be accessed from the FF Fund.

4.4.5 Retirement policy

At a formal level the RMC's HR Policy, Retrenchment Policy, Retirement Policy and Medical Repatriation Policy provide compensation in line with South African labour legislation for job loss or retirement funding.

All employees of the Company will be required to become members of a Retirement, Pension or Provident Fund as provided for in their individual Conditions of Employment. On retirement or retrenchment, all contributions by the member and the Company, plus profit and interest but less tax, will be paid out to the member. A maximum of one third of the benefit may be taken in cash and is tax free. The balance is available to purchase a pension annuity from a registered insurance Company of the employees' choice. RMC will provide all employees with life skills and financial training to enable them to better understand how to manage their pension and the selection of pension annuity. RMC will also identify reputable registered financial planners to assist employees to manage their pension and select investment options.

4.4.6 Medical repatriation compensation

Where medical repatriation is necessary as a result of occupational injury or debilitating disease, the RMC will ensure that:

- Appropriate care is available through an agent in the labour-sending area to which the worker returns;
- Workers who need medical repatriation will undergo reskilling programmes in disciplines appropriate to their disability; and,
- Pensions will be given to the affected worker in line with RMCs pension policies with regard to medical boarding.

4.5 MECHANISMS TO AMELIORATE SOCIAL AND ECONOMIC IMPACTS ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE OPERATION IS CERTAIN

4.5.1 Introduction

Based on the available information the LoM for the RCM will be 20 years. Planning for closure and downsizing will take place from the outset of the mining operations planned for 2017/2018. In this regard RMC intends to ensure that the livelihoods of its mineworkers, residents and families will be sustained in the wake of downsizing and closure of the mine.

The following measures have been identified to address potential social and economic impacts associated with closure of the mine:

- Assessment and provision of counselling services;
- Self-employment training programmes;
- Re-training and re-employment programmes for RMC and contractors employees;
- Identification of appropriate SMME opportunities for RMC and contractors employees.

RMC and the contractors appointed by RMC are also committed to providing assistance to retrenched workers who had contracted HIV while in the company's employ.

The following process will be followed when the mining operations come to an end and closure is required:

- The Future Forum will be advised in advance of the closure of the mine and the timing thereof and the implications in terms of job losses and the need to provide alternative employment and job security;
- A consultation process in terms of Section 52 (1) of the Labour Relations Act LRA) of 1995 will be initiated;
- Implementation of the provisions contained in section 189 of the LRA will be undertaken consultation with necessary parties to consider alternative solutions and procedures for creating job security where losses cannot be avoided.
- Notification to the Minerals and Mining Development Board in terms of section 52 (1) (a) of the LRA will be done;
- The implementation of a communication strategy which will:
 - Inform employees of possible retrenchments;
 - Inform other affected parties (e.g. relevant local authorities in the mining area and labour sending areas) of potential retrenchments;
 - Inform outside parties (e.g. media) of potential retrenchments at the operation.

The design of the HRD strategy set out Section 2 will also be geared to ensuring that employees at the RCM are provided with the relevant skills training to enable them to find alternative employment when the mining operations cease.

4.5.2 Assessment and provision of counselling services

The RMC will provide counselling for employees through professional counsellors. In this regard the company will appoint an expert in trauma counselling to conduct session to employees and their families. Requests for such counselling are to be directed to the Human Resources Manager.

4.5.3 Self-employment training and re-employment programmes

The RMC recognises that the RCM has a limited life span (20 years) and that the closure of the operation will result in the job losses, which in turn have the potential to impact on the affected employees, their families and the local community. In order to address these impacts pro-actively the RMC will equip it employees as well as members of the relevant communities with portable skills that will benefit the individuals concerned. These initiatives will be aligned to the socio-economic needs and opportunities in the area.

The following measures have been identified to address job losses associated with retrenchments:

- RMC and the appointed contractors will provide portable skills and life skills courses (with an emphasis on personal financial management skills), and ensure that the relevant workers are prepared to enter the labour market on a competitive footing, or alternatively, are in a position to apply their own entrepreneurial skills;
- RMC and the appointed contractors will cover the costs of training. Such training will be done through an accredited training service provider and result in trainees obtaining certificates upon successful completion;
- Specific provision for skills training will be co-ordinated through mediation of the FF with the DOL in order to ensure alignment of training with the relevant IDPs;

- The DME Social Plan Director (or regional representative) will be consulted in order to gain an understanding of available supplementary DOL sponsored training courses;
- Retrenched workers will be provided with training vouchers in order to access services provided at DOL training centres after retrenchment;
- Link employees with recruitment agencies for possible employment in other companies depending on their experience and qualifications
- RMC and the appointed contractors will mediate on behalf of retrenched workers with the DME Social Plan Director's office and the National Skills Fund in order to access MQA funds, training programmes and general assistance.

The design of the HRD strategy set out Section 2 will also be geared to ensuring that employees at the RCM are provided with the relevant skills training to enable them to find alternative employment when the RCM closes.

The Future Forum will coordinate the provision of the above self-employment training and reemployment programmes for all employees affected by retrenchments.

4.5.4 Providing training for proxy earners⁸

RMC will develop policies to ensure that a proxy income earner is equipped to replace the income generated by the ex-mineworker. In line with the community skills development programme covered under poverty eradication in Regulation 46 (c) (iii), RMC will introduce programmes for reskilling workers and skills training for workers' families. This strategy will be aimed at reducing the socio-economic impact associated with job losses on the local economy. The strategy will also diversify the source of household income before mine retrenchment takes place. Initiatives of this nature will continue to be developed in conjunction with labour representatives.

The design of the HRD strategy set out Section 2 will be geared to ensuring that family members of employees at the RCM are provided with the relevant skills training to reduce the potential socio-economic impact associated with closure related job losses.

4.5.5 Severance packages and retirement policy

Severance packages will be paid to RMC and employees of the contractors in accordance with the provisions of Section 41 of the Basic Conditions of Employment Act (75 of 1997). A total of R 220 000 per annum will be set aside by RMC for funding. This represents 2% of the annual salary bill (R 11) for RMC staff, which is in line with the Basic Conditions of Employment Act which requires payment of one week per year. The total will be increased by 5% per annum to take into account inflation.

RMC will ensure that the contractors appointed to undertake the mining and processing also make provision for the possible retrenchments based on the severance requirements of the Labour Relations Act. These provisions will be communicated to the DMR once the mining and plant contractors have been appointed.

⁸ Proxy income earners are relatives of an ex-mineworker who must support the family when the ex-mineworker's wages have ceased, for whatever reason.

At a formal level the RMC's HR Policy, Retrenchment Policy, Retirement Policy and Medical Repatriation Policy provide compensation in line with South African labour legislation for job loss or retirement funding.

As indicated in Section 4.4.4, all employees of the Company will be required to become members of a Retirement, Pension or Provident Fund as provided for in their individual Conditions of Employment. On retirement or retrenchment, all contributions by the member and the Company, plus profit and interest but less tax, will be paid out to the member. A maximum of one third of the benefit at retirement may be taken in cash and is tax free. The balance is available to purchase a pension annuity from a registered insurance company of the employees' choice. RMC will provide all employees with life skills and financial training to enable them to better understand how to manage their pension and the selection of pension annuity. RMC will also identify reputable registered financial planners to assist employees to manage their pension and select investment options.

4.5.6 Medical repatriation compensation

As indicated in Section 4.4.5, where medical repatriation is necessary as a result of occupational injury or debilitating disease, the RMC will ensure that:

- Appropriate care is available through an agent in the labour-sending area to which the worker returns;
- Workers who need medical repatriation will undergo reskilling programmes in disciplines appropriate to their disability; and,
- Pensions will be given to the affected worker in line with RMCs pension policies with regard to medical boarding.

SECTION 5: FINANCIAL PROVISIONS

5.1 INTRODUCTION

Proof of financial provision for the implementation of the SLP is required in terms of sections 23 (1) and 84 (1) (g) of the MPRDA. In this regard, RMC has made the following provisions with respect to the proposed Rietvlei Coal Mine.

5.2 HUMAN RESOURCES DEVELOPMENT (HRD) PROGRAMME

RMC undertakes to make provision for the implementation of a Human Resources Development Programme for its personnel. RMC will allocate R 550 000.00 to the Human Resource Development Programme per annum. This represents 5% of the total estimated annual RMC personnel salary bill of R 11 million based on the latest modelling in 2015 money values. For the purposes of budgeting the annual salary bill has been increased at 5% per annum. Table 5.1 provides a breakdown of the costs associated with the Human Resources Development Programme.

RMC will ensure that the contractors appointed also make the necessary provision for the implementation of a Human Resources Development Programme for their employees. These provisions will be communicated to the DMR once the mining and plant contractors have been appointed.

Table 5.1: RMC Financial Provision for Human Resource Development

HRD Programme	2018*	2019	2020	2021	2022
ABET	60 000	75 600	79 380	83 352	102 102
FET	80 000	100 800	105 840	111 132	136 136
Internal Bursaries	30 000	31 500	33 075	34 729	36 465
External Bursaries	72 000	75 600	79 380	83 349	87 516
Internships	24 000	25 200	26 460	27 783	29 172
<ul style="list-style-type: none">• Career Progression Plan• Mentorship Plan• Participation in Skills Development Levies Act etc.	284 000	268 800	282 240	296 349	277 137
Total (Rand)	550 000	577 500	606 375	636 694	668 528

**Start dates are dependent on the timing of the granting of the Mining Right and Water use license.*

5.3 LOCAL ECONOMIC DEVELOPMENT (LED) PROGRAMME

The following IDP projects have been identified and will be funded over a 5 year period:

Infrastructure projects

Contribution to projects in Ward 9, specifically projects linked to the creation of residential stands, a community centre to improve service delivery, high mast lighting to combat crime and social ills, water connections with Somaphepha to meet the expanding community and a regional project to expand the reservoir for bulk water provision.

Income generating projects

The STLM has an initiative for Node D to create a business park for small businesses that are currently scattered through the townships around the region. The strategy being to grow the various disconnected businesses into a thriving hub for entrepreneurship and growth.

The annual contribution to LED in initial discussions with the STLM was set at R1 500 000. However this will be revised once RMC has an off-take agreement in place and the operation moves closer to full production in 2018. The funding is summarised in the Table 5.2 below.

Table 5.2: RMC Financial Provision for Local Economic Development

Projects	2018*	2019	2020	2021	2022
Project 1: Creation residential Stands	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Project 2: NPCC Somaphepha	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Project 3: Expansion of reservoir	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Project4: High Mast Lights Somaphepha	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Project 5: Household water connections Somaphepha	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Project 6: Node D development	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Total (Rand)	R1 500 000	R1 500 000	R1 500 000	R1 500 000	R1 500 000

**Start dates are dependent on the timing of the granting of the Mining Right and Water use license.*

5.4 MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

RMC will make provision for the possible retrenchment in its annual budget, based on the severance requirements of the Labour Relations Act, or in terms of severance packages as agreed in Retrenchment agreements with organised labour. In this regard the RMC will make provision for the creation of a Future Forum Trust Fund. A total of R 220 000 per annum will be set aside for funding. This represents 2% of annual salary bill (R 11 million) for RMC personnel, which is line with the Basic Conditions of Employment Act which requires payment of one week per year. For the purposes of budgeting the annual salary bill has been increased by 5% per annum.

RMC will ensure that the contractors appointed also make provision for the possible retrenchments based on the severance requirements of the Labour Relations Act. These provisions will be communicated to the DMR once the mining and plant contractors have been appointed.

Table 5.3: RMC Financial Provision for Downscaling and Retrenchments

Project	2018*	2019	2020	2021	2022
Retrenchment Programme	R 220 000	R 231 000	R 242 550	R 254 678	R 267 411
Total (Rand)	R 220 000	R 231 000	R 242 550	R 254 678	R 267 411

**Start dates are dependent on the timing of the granting of the Mining Right and Water use license.*

5.5 SUMMARY OF FINANCIAL PROVISIONS

Table 5.4 provides a summary of the financial provisions that RMC is committed to in terms of the SLP.

Table 5.4: Summary of financial provisions

Project	2018*	2019	2020	2021	2022
HRD Programme	550 000	577 500	606 375	636 694	668 528
LED / IDP Programmes	1 500 000	1 500 000	1 500 000	1 500 000	1 500 000
Retrenchment Programme	220 000	231 000	242 550	254 678	267 411
Total (Rand)	2 270 000	2 308 500	2 348 925	2 391 372	2 435 939

**Start dates are dependent on the timing of the granting of the Mining Right and Water use license.*

SECTION 6: UNDERTAKING

RMC undertakes to implement this Social and Labour Plan to its best abilities and in close collaboration with all parties involved, including the local community, the local municipality and the Departments of Labour, and Minerals and Energy.

I, Mark Myatt, the undersigned and duly authorized thereto by the Board of RMC (see Annexure 5), undertake to adhere to the requirements and to the conditions as set out in the Social and Labour Plan.

Signed at Sandton on this 29th day of October 2015

Signature of responsible person.....

Designation: Commercial Manager Butsanani Energy Investment Holdings (Pty) Ltd.
On behalf of Rietvlei Mining Company (Pty) Ltd.

INTERVIEWS


- Ms Sybil Madlopha, Director: Development and Strategic Support, Steve Tshwete Local Municipality;
- Ms Sibongile Radebe, Department of Mineral Resources.

REFERENCES

- Department of Mineral Resources, Revised Social and Labour Plan Guidelines, October 2010.
- Mpumalanga Provincial Growth and Development Strategy, 2004-2014
- Nkangala District Municipality, Integrated Development Plan, 2012-2016;
- South African Department of Statistics, Census 2011;
- Steve Tshwete Local Municipality, Local Economic Development Plan, 2006;
- Steve Tshwete Local Municipality, Integrated Development Plan, 2011/2012;
- Steve Tshwete Local Municipality, Spatial Development Framework, 2008.

ANNEXURE 1: FORM Q


(Completed and submitted within 3 months of commencement of mining)

Form Q, Annexure II											DME 327	
DEPARTMENT: MINERALS AND ENERGY REPUBLIC OF SOUTH AFRICA												
THE NUMBER AND EDUCATION LEVELS OF EMPLOYEES												
<small>[in terms of regulation 46(b)(i)(aa) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]</small>												
INSTRUCTIONS:												
1. For any enquiries, contact the relevant Regional office or designated agency during office hours (refer to List 1).												
2. Complete the form in block letters and in black pen.												
3. Complete the form in English and do not use abbreviations (e.g. Street not St).												
BAND	NOF LEVEL	OLD SYSTEM	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	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										
		Grade 7 / Std 5 / ABET 3										
Further Education and Training (FET)	2	Grade 8 / Std 6										
		Grade 9 / Std 7 / ABET 4										
		Grade 10 / Std 8 / N1										
Higher Education and Training (HET)	3	Grade 11 / Std 9 / N2										
		Grade 12 / Std 10 / N3										
		Diplomas / Certificates										
TOTAL	4	First degrees / higher diplomas										
		Honors / Master's degrees										
		Doctorates										
TOTAL												

Minerals and Energy for Development and Prosperity

ANNEXURE 2: FORM R


(Completed and submitted within 3 months of commencement of mining)

<u>Form R, Annexure II</u>		DME 328
<p>DEPARTMENT: MINERALS AND ENERGY REPUBLIC OF SOUTH AFRICA</p> <p>HARD-TO-FILL VACANCIES AS AT _____ 20 _____</p> <p><small>[in terms of regulation 46(b)(i)(bb) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]</small></p>		
<p>INSTRUCTIONS:</p> <p>1. For any enquiries, contact the relevant Regional office or designated agency during office hours (refer to List 1). 2. Complete the form in block letters and in black pen. 3. Complete the form in English and do not use abbreviations (e.g. Street not St).</p>		
Occupational Level	Job title of Vacancy	Main Reason for being unable to fill the vacancy
Top Management		
Senior Management		
Professionally qualified and experienced specialists and mid-management		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents		
Semi-skilled and discretionary decision making		
Unskilled and defined decision making		
<small>Minerals and Energy for Development and Prosperity</small>		

ANNEXURE 3: FORM S

(Completed and submitted within 3 months of commencement of mining)

Form S, Annexure II DME 325



DEPARTMENT: MINERALS AND ENERGY
REPUBLIC OF SOUTH AFRICA

EMPLOYMENT EQUITY STATISTICS AS AT _____ 20 _____
[in terms of regulation 46(b)(v) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]


INSTRUCTIONS:
 1. For any enquiries, contact the relevant Regional office or designated agency during office hours (refer to List 1).
 2. Complete the form in block letters and in black pen.
 3. Complete the form in English and do not use abbreviations (e.g. Street not St).

OCCUPATIONAL LEVELS	Male				Female				TOTAL	Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Top Management											
Senior Management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents											
Semi-skilled and discretionary decision making											
Unskilled and defined decision making											
TOTAL PERMANENT											
Non-permanent employees											
TOTAL											

Minerals and Energy for Development and Prosperity

1

ANNEXURE 4: LETTER FROM STLM

	<h1>STEVE TSHWETE</h1> <h2>LOCAL MUNICIPALITY</h2>	Telephone (011) 2497000 Fax (011) 2432556
Our ref: 3/4 (Rietvlei 397 /S)		P.O. Box 14 MIDDELBURG, MPUMALANGA 1058
Sybil Madlopha Development and Strategic Support		
Date: 28/10/15	E-Mail : council@stivveshwete11.gov.za	

Rietvlei Mining Company (PTY) Limited
Vukani House
151 Katherine Street
Sandown

Attention: Mark Myatt

PROPOSED PROJECT TO BE FUNDED BY RIETVLEI COAL MINE THROUGH SOCIAL AND LABOUR PLAN

Following the meeting held between our Messrs SS Madlopha, Mark Myatt and Muzi Twala. This letter serves to inform your organisation that, STLM has just adopted the 2015-2020 draft LED strategy which outline the economic focus of the municipality. The strategy has a number of economic development nodes, of which one of them is to strength industrialisation. Node D is aimed at consolidating township based industries to be housed in one area thus allow formalisation and integrated services.

The current status on node D is that infrastructure on basic services is already installed, feasibility study conducted by the District municipality and one major mining house currently designing the architectural model developing.

Furthermore Council adopted the 2015/16 IDP in May, which contains all ward based priority below herein is the list of priorities from ward 9 where the physica operations of the mine will take place.

S/N	PRIORITY	COMMENTS
1.	Creation of additional residential stands	Township establishment.

Page 1 of 2

2.	MPCC in Somaphepha	This centre will be able house a number of government services thus bring closer service delivery.
3.	Expansion of the reservoir	Bulk for water provision.
4.	High mast light at Somaphepha	To combat crime and other social ills.
5.	Water connection in households at Somaphepha	Provision of services, as the area is further expanding.

Looking forward in working with you.

Further enquiries can be directed to Ms SS Madiopha at 013 2497007 or sybilm@stlm.gov.za.

Yours faithfully,



Acting Municipal Manager
MR SM Mnguni

Notes from the meeting held 27th October 2015

At the offices of the Steve Tshwete Local Municipality in Middelburg

Present: Ms. Sybil Madlopha (Director: Development and Strategic Support).

Muzi Twala (Director: Rietvlei Mining Company)

Mark Myatt (Commercial Manager: Butsanani)

Our Ref: MP 30/5/1/2/2/10105 MR (DMR reference)

Your Ref: Rietvlei 397 JS

Dear Sybil

Re: PROPOSED PROJECTS TO BE FUNDED BY RIETVLEI COAL MINE THROUGH SOCIAL AND LABOUR PLAN - ALIGNMENT

Thank you for taking time out today to catch up with Muzi and I on the Rietvlei Project and for agreeing to update your note so we can best align our Social and Labour Plan with your Projects, the following are my brief notes from today's meeting:

1. Advised that the DMR have pointed out that the Social and Labour Plan (SLP) and Mine Works Program (MWP) are not aligned and that this is a requirement for Rietvlei to receive its Mining Right. In addition, it would appear that the LED projects listed in the original SLP do not align to those on the letter received from the Municipality on the 24th of April 2014. The DMR have requested an update by the 31st of October.
2. Noted that Rietvlei has changed in terms of structure and time to first coal from the discussions held in 2014 and that, updated discussions will be required with the STLM once the mine gets closer to operational (likely H2'2017) especially as, it is further noted, that the Municipality will have completed its 2012-2017 Plan and a new Plan for the 2017-2022 period will be applicable.
3. Post a review of the 2015-2016 update of the Plan it was advised that the projects included in the note received on the 24th April 2014 remain valid, although some work has been carried out on the MPCC in Somaphepha.

Directors: C Harding (Chairman), A Salim, L D'Agale, M Twala, K Maete.

4. To confirm this a revised letter will be issued by STLM on the 28th October signed by the Municipal Manager reflecting the above projects as well as adding in a new project called "Node D" which is an initiative to centralise a disparate set of small township businesses, in and around the area, into one Business Park to encourage synergies and to develop and formalise the businesses.
5. Projects are classified as being either local based or regional with the creation of additional residential stands (item 1 on the list) being a local project, a commitment to build a number of RDP houses being an example of an initiative. An example of a regional initiative would be item 3, the expansion of the reservoir.
6. Details of the project plans and milestones for the above projects are to be provided to Rietvlei by STLM with the above confirmation letter as the DMR have requested that Rietvlei have a project plan that is aligned with the IDP of the STLM.
7. Copies of the revised letter and project plans to be e-mailed to Mark Myatt at MarkM@butsananienergy.co.za
8. Once completed the relevant section of the SLP to be sent to STLM for their records and as a base for the discussions to follow.

I hope this is a fair reflection of the meeting, should you have any comments, changes or concerns please let me know.

Yours sincerely



Commercial Manager: Butsanani Energy Investment Holdings

On behalf of Rietvlei Mining Company (Pty) Ltd.

ANNEXURE 5: BOARD AUTHORISATION

Rietvlei Mining Company (Pty) Limited
Registration Number 2013/168342/07
44 Main Street, Johannesburg, 2001,
South Africa
Tel +27 (0)11 263 8505
Fax +27 (0)11 66 206 6045

RESOLUTION BY THE DIRECTORS OF THE COMPANY

Background:

The company is in the process of revising the Mine Works Programme (MWP) and Social and Labour Plan (SLP) to be aligned to the Rietvlei Bankable Feasibility Study (BFS) which is to be re-submitted to the Department of Mineral Resources (DMR).

IT WAS RESOLVED THAT:

Mark Myatt (ID 6712285295089) is employed by Butsanani Energy Investment Holdings (Proprietary) Limited is authorised to sign all documents in connection with the re-submission on behalf of the company.

Signed at JHB on 29 OCT 2015



Christopher Harding
Director

Company Secretary:
Anglo Operations (Proprietary) Limited, Registration No. 1921/016730/07

Directors: C Harding (Chairman), A Selire, L Dikgole, M Thula, K Mashe.