

THABAMETSI

SOCIAL AND LABOUR PLAN

2021-2025



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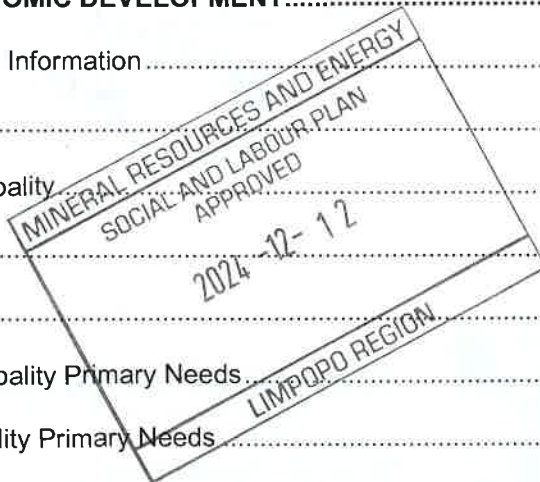
mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

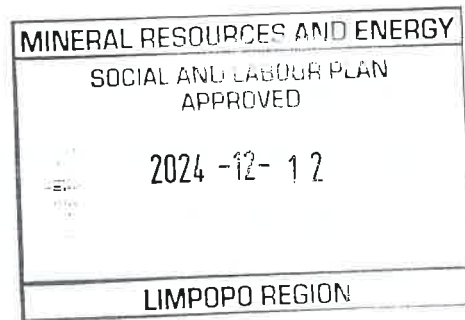
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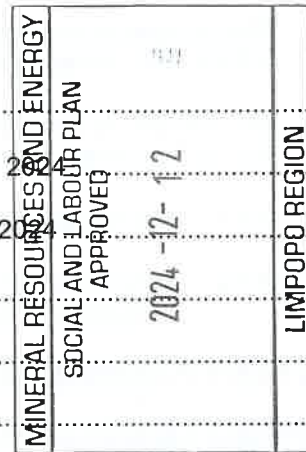
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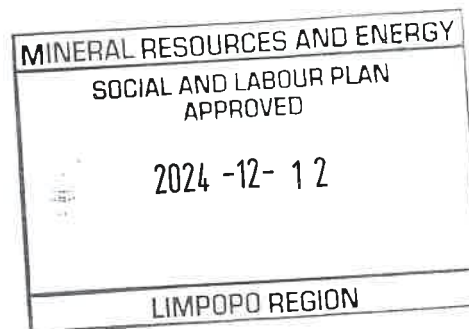


Acronyms

ABET	Adult Basic Education and Training
BEE	Black Economic Empowerment
BMP	Basic Management Programme
BSc	Bachelor of Science
BU	Business Unit
CSA	Coal Supply Agreement
CTC	Colliery Training College
DBE	Department of Basic Education
DM	District Municipality
DMR	Department of Mineral Resources
DoL	Department of Labour
EE	Employment Equity
EEA2	Employment Equity Report for the DoL
ESOP	Employee Share Option Scheme (Mpower)
FET	Further Education and Training
FLM	First Line Management
GCC	Government Certificate of Competency
GET	General Education and Training
GDP	Gross Domestic Product
HET	Higher Education and Training
HDSA	Historically Disadvantaged South Africans
HR	Human Resource Practitioner
IDP	Individual Development Plan
JV	Joint Venture
LED	Local Economic Development
LM	Local Municipality
LRA	Labour Relations Act (Act No. 66 of 1995)
MoU	Memorandum of Understanding



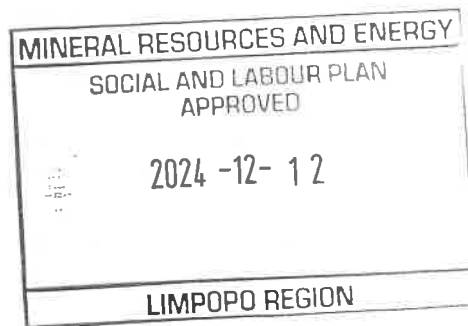
MPRDA	Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)
MQA	Mining Qualifications Authority
MTPA	million tonnes per annum
NATED	National Technical Education (N-courses)
NGO	Non-Government Organisation
NSDS	National Skills Development Strategy
NQF	National Qualifications Framework
PGDS	Provincial Growth Development Strategy
PPE	Personal Protective Equipment
RDP	Reconstruction and Development Programme
SARS	South African Revenue Services
SEF	Small Enterprise Foundation
SETA	Sector Education Training Authority
SHE	Safety, Health and Environment
SHEQ	Safety, Health, Environment and Quality
SLP	Social and Labour Plan
SMME	Small Medium Micro Enterprise
Std	Standard
STI	Short Term Incentive
UIF	Unemployment Insurance Fund
VSP	Voluntary Severance Package
WSP	Workplace Skills Plans (WSP)



SECTION ONE

INTRODUCTION

**In compliance with Regulation 46 (a)
of the Mineral and Petroleum Resources Development Act**



1. SECTION 1: PREAMBLE

1.1 GENERAL INFORMATION

Table 1: Details of applicant and mine

Name of applicant	Exxaro Coal Resources
Name of mine	Thabametsi Coal
Company registration number	2000/011078/07
Physical address	The ConneXXion 263B West Avenue Die Hoewes, Centurion 0163 Gauteng
Postal address	PO Box 178 Lephalale, 0555
Telephone number	+27 12 307 5000
Location of mine	Approximately 25km west of the town of Lephalale, formerly Ellisras, Limpopo Province
Commodity	Coal
Life of mine	30 years
Financial year-end	1 January – 31 December
Reporting year	31 March of each year
Responsible person	Lazarus Ramashilabele, General Manager
Email address	Lazarus.Ramashilabele@exxaro.com
Geographic origin of employees	This data is not available as Thabametsi Coal is a new mine and there are currently no employees. However, employees are expected to be sourced predominantly from within the Lephalale Municipality and contractors appointed by Thabametsi Coal to carry out mining operations will be obliged in terms of their operating contracts to employ local labour and abide by the principles contained in this SLP. Baseline information will be supplied in December 2016 once recruitment has commenced in earnest and will be updated as required. During the process of recruitment, all employees will be required to provide information relating to their domicile, education, and other information. This information will be of vital importance for the planning of the company's human resource policies.

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1.2 BACKGROUND

The prospecting permit LP30/5/1/1/2/907PR on the project was granted by the Department of Minerals and Energy (DME) on 25 April 2007 and is valid for five years

from the date of issue. The permit covers a total area of 5422.910 hectares. The prospecting permit LP30/5/1/1/2/907PR was granted by the DME in terms of section 17 (1) of the Mineral and Petroleum Resources Department Act 2002 (Act No. 28 of 2002).

The Thabametsi Coal project consists of the farms Zaagput 307 LQ, Van der Waltspan 310 LQ, Mc Cabesvley 311 LQ, Jackhalsvley 309 LQ, and Vaalpensloop 313 LQ that cover an area of 5422.9107 hectares.

Initial mining activities will start within a year of approval of the Mine Right Application. Development of the first phase will be done over two years. Coal production will start after the initial mining of the box-cut has commenced.

The mine will be developed in a phased approach, starting with the Main pit in 2016/2017 and ramping up gradually to full production from the Main pit, Mini pit and Underground sections around 2025.

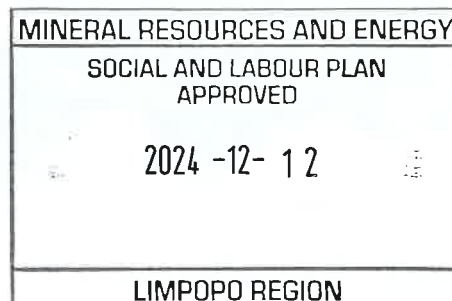
Infrastructure will be developed as the various sections are phased in starting with very limited infrastructure for the first five years.

1.3 LOCATION OF MINE

Thabametsi Coal is located within the boundaries of the Lephalale local municipality, near the suburb of Onverwacht, in the Limpopo Province. The mine forms part of Exxaro's Waterberg Region.

The mine is accessed from the east via a sealed (tarmac) road, linking it with Onverwacht and Lephalale, which is in turn connected with Thabazimbi and Mokopane via tar roads.

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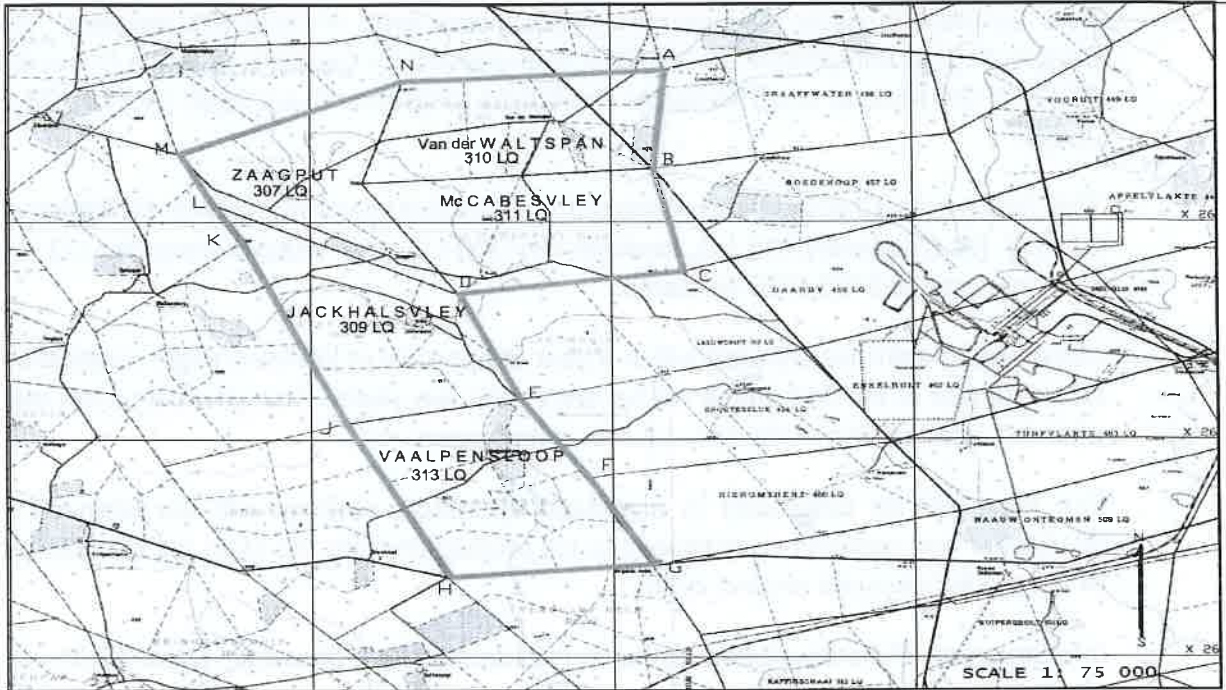


Figure 1: A simplified locality and spatial information map for Thabametsi Coal Mine



Figure 2: A simplified locality and spatial information map for Thabametsi Coal Mine

MINERAL RESOURCES AND ENERGY
Coal Mine

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Figure 3: Thabametsi Mine lease boundary and the district and local municipality boundaries, Limpopo Province

1.4 GEOGRAPHIC ORIGIN OF EMPLOYEES

Thabametsi Coal is a new mine with no employees yet. However, employees are expected to be sourced predominantly from within the Lephalale Municipal area. It is anticipated that operations will commence in the latter half of 2016, therefore all the figures are estimations and a preliminary indication of what is needed to start operations.

A preliminary breakdown of employees per skills category, minimum level of education and sending area is provided in Table 2 and will be updated once operations start at the mine.

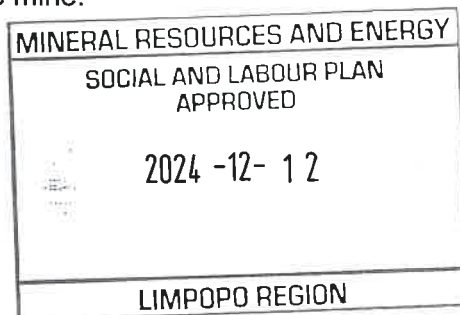


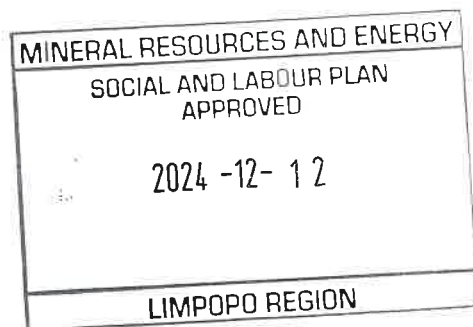
Table 2: Breakdown of permanent workforce per sending area by 2025

	Number	Limpopo	Rest of South Africa
Legislators, senior officials, managers & owner-managers	1	1	
Clerks	0	0	
Craft & related trade workers	0	0	
Plant & machine operators & assemblers	0	0	
Labourers & related workers	0	0	
Total personnel	1	1	1

A preliminary breakdown of employees per skills category, minimum level of education and sending area is provided in Table 3. This will be updated once operations start at the mine.

Table 3: Breakdown of contractor workforce per sending area by 2025

Skills category	Number	Labour sending area (Province)		
		Limpopo	Rest of South Africa	Outside of South Africa
Legislators, senior officials, managers & owner-managers	1	0	1	
Clerks	0	0		
Craft & related trade workers	0	0		
Plant & machine operators & assemblers	0	0		
Labourers & related workers	0	0		
Total personnel	1	0	1	



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SECTION TWO

HUMAN RESOURCES DEVELOPMENT PROGRAMME

**In compliance with Regulation 46 (b)
of the Mineral and Petroleum Resources Development Act**

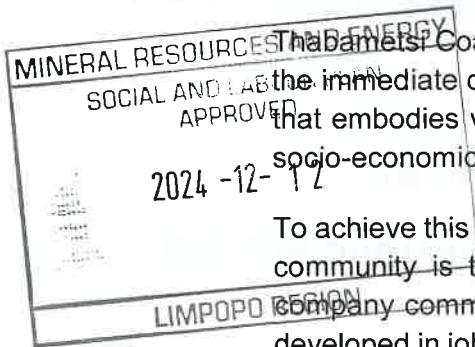
2. SECTION 2: HUMAN RESOURCE DEVELOPMENT PROGRAMME

2.1 COMPLIANCE WITH SKILLS DEVELOPMENT LEGISLATION

The Mining Charter commits all stakeholders to creating an enabling environment for the empowerment of HDPs by providing a comprehensive skills development plan that addresses the HDP mining skills deficits within the industry. Thabametsi Coal Mine commits itself to comply with all the applicable and relevant training legislation. It is anticipated that operations will commence in the third quarter of 2023 (Q323), therefore all the figures are estimations and a preliminary indication of what is needed to start operations.

Table 4: Skills development

Name of SETA.	<i>Mining Qualification Authority (MQA)</i>
Registration number with the SETA.	To be advised on registration
Skills development facilitator.	
Proof of submission of workplace skills plan.	<i>None as yet due to new operations</i>



Thabametsi Coal Mine is committed to contributing to the socio-economic activities of the immediate community and the region. The business will be managed in a manner that embodies value-added compliance with all relevant legislative requirements and socio-economic responsibilities.

To achieve this objective, the development of its employees as well as the surrounding community is the fundamental principle enshrined in the business strategy. The company commits to providing opportunities and resources for employees to be fully developed in job disciplines that form part of the occupational structures of Thabametsi Coal Mine.

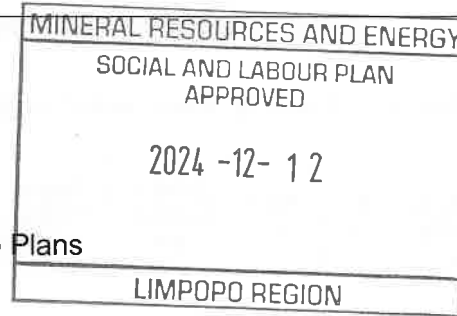
The focus area of development will be engineering, mining and other technical services where there is a critical shortage of skills. Through appropriate learnerships and skills programmes, Thabametsi Coal Mine aims to bridge the gap and provide present and future requirements of the operation. Training levels will also take the expansion requirements of the Thabametsi Coal Mine into consideration.

Thabametsi Coal Mine will offer on-site and external training programmes that aim to address legislative requirements and competency requirements. These will include induction, moving machinery, strata control, plant operator training among others. Specialised training such as risk and hazard identification will also be offered on the safety, health and environment-related issues.

All aspects pertaining to Human Resources on this plan will reflect the Thabametsi Coal Mine statistics and future plans in addition to those of contractors that will be appointed by the mine.

These aspects will include:

- Educational Levels
- Hard to Fill Vacancies
- Skills Development Plans
- Career Progression & Mentorship Plans
- An Internship and Bursary Plan
- Employment Equity Plan.
- Plans to meet the Mining Charter requirements.



(Detailed strategies have been put into place for the above elements and these form the company's Human Resource Development Programme.)

To facilitate the upliftment of the previously disadvantaged Labour force, a programme will be put in place to upgrade literacy levels. Thabametsi Coal Mine will partake in the graduate intake programme to provide relevant job-related training and placement opportunities for individuals who successfully complete the programme. All the above interventions will be implemented in line with the company's Employment Equity and Skills Development Plans.

2.2 SKILLS DEVELOPMENT PLAN

2.2.1 BACKGROUND INFORMATION ON THE WORKFORCE

The planned workforce will consist of 1 permanent employee and 0 contractor employees as the business does not anticipate restarting mining any time soon.

The skills programme planned for the Thabametsi Coal Mine and the contractor may differ, however; all contractors must put in place an arrangement to cater for the development of their employees. This process will be continually supported and monitored by Thabametsi Coal Mine.

All training at Thabametsi Coal Mine will be based on a thorough needs analysis, taking cognisance of skills deficiencies against requirements, performance management, succession planning, and career structuring as well as the Operational Employment Equity Plan.

Contracting companies will align their programmes to that of the Thabametsi Coal Mine in order to adhere to legal provisions.

Thabametsi Coal Mine commits to the requirements of the Skills Development Act. In addition, the company will ensure that the contractors have fully developed skills plans and that all colliery employees receive training and development in accordance with these plans.

2.2.2 HUMAN RESOURCES DEVELOPMENT REPORTING

Table 5: Form Q: Permanent employees

Name of Beneficiary	ID/Passport No	Race	Gender	Level of Employment	Type of Programme	Duration of Programme	Commencement Date	Institution	Actual Expenditure	Expected Outcome
Actual Expenditure										

Table 6: Form Q: Non- employees

Name of Beneficiary	ID/Passport No	Race	Gender	Level of Employment	Type of Programme	Duration of Programme	Commencement Date	Institution	Actual Expenditure	Expected Outcome
Actual Expenditure										

2.2.3 AET IMPLEMENTATION PLAN

Thabametsi aims to give community members the opportunity to become functionally literate by 2025 through Adult Education and Training or Portable Skills Training. Thabametsi has facilities and infrastructure dedicated to the provision of AET and Portable Skills. However, in engagement with communities they made preference to portable skills over AET.

2.2.3.1 COMMUNITY AET

The objectives of providing AET to the community are:

- To provide illiterate and innumerate community members with an opportunity to access skills programmes and learnerships to increase their chances of employment; and
- To create a pool of candidates within the host community from which the Mine can recruit future employees or candidates for the Section 18.2 skills and learnership programme (as defined by the Department of Labour).

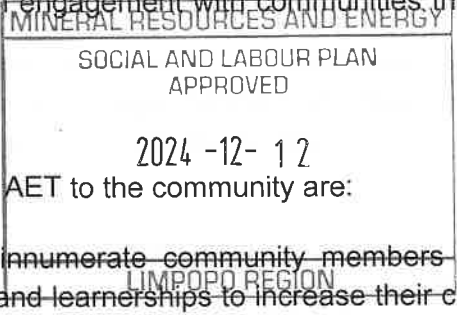


Table 7: AET levels for community

	2021	2022	2023	2024	2025	Total budget
AET	1	1	1	1	1	R50 000
Budget (R)	R10 000	R10 000	R10 000	R10 000	R10 000	R50 000

Offering literacy and numeracy to the community will have a positive socio-economic effect on communities as the employability of members improves.

2.2.4 BURSARIES, INTERNSHIPS AND PORTABLE SKILLS TRAINING

2.2.4.1 Bursaries and internships

Candidates are sourced from communities surrounding the mine. Bursaries are allocated in the following engineering fields namely, mining, metallurgy, geology, engineering (electrical and mechanical), and industrial and the following support services, namely human resources and environmental studies. Candidates are chosen according to set selection criteria to ensure that they are given the best opportunity to fulfil the university requirements.

Table 8: Bursaries

Bursary field	Targets and timelines					Total budget
	2021	2022	2023	2024	2025	
Total intake				1	1	2
Budget (R)				150 000	300 000	450 000

The 2 bursary students will be supported for 3 years at R150 000 each per year. The total amount allocated for the learners is R900 000 for the mentioned SLP period (2021-2025).

Internships

Internships provide opportunities for practical exposure or experiential learning for learners as well as other professionally qualified people in various disciplines. The internships offered are dependent on the practical component of the qualifications of learners for workplace practical exposure to obtain full qualification or enhance employability in the Labour market. The Exxaro Recruitment policy will be applied to source incumbents into the programme.

The internship programme also offers Exxaro Thabametsi an opportunity to create pipeline for their business needs as well as for National Skills Development. The number of interns indicated below will form part of the new intake and not continuation from previous SLP. A total of 2 interns will benefit from this internship program.

Table 9: Internships

Internship plan	Targets and timelines.					Total budget
	Field of Study	2021	2022	2023	2024	

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Total number	Mining Engineering				1	1	2
Budget (R)					120 000	120 000	240 000

One intake per year

Learnership

Learnerships are registered and accredited learning programmes that include practical work experience as well as a theoretical component. Thabametsi will offer learnerships in core business discipline, **Mineral processing**.

Table 10: Learnership

Learnership plan	Targets and timelines.						
	Field of Study	2021	2022	2023	2024	2025	Total budget
Total number	Mineral Processing					1	1
Budget (R)						200 000	200 000

This will be a 2 years programme to be completed in 2025. Budget allocation for the 2021-2025 SLP.

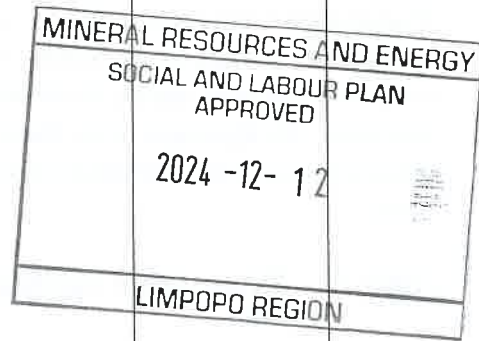


2.3 PLAN FOR THE PROVISION OF PORTABLE SKILLS TO EMPLOYEES AND COMMUNITIES

The portable skills will be offered are according to the needs' assessment and employees and community members will be advised of potential opportunities.

Table 11: Portable skills-In engagement with communities they made preference to portable skills over AET

Area of training	Target and timelines					Total
	2021	2022	2023	2024	2025	
<p>Portable Skills: Civils Skills – Bricklaying, Carpentry & Plumbing</p> <ul style="list-style-type: none"> Engineering Skills – Basic Arc and Gas Welding with Cutting & Grinding Computer Skills <p>Introduction to PC's</p> <p>Microsoft Office</p> <p>Internet & E-mail</p> <ul style="list-style-type: none"> Nated Courses N1 – N3 <p>Mechanical & Civil Engineering Electrical</p>		10	30	40	50	130
Total Intake		10	30	40	50	130
Total Budget (R)		120 000	360 000	480 000	600 000	1 560 000



2.4 EMPLOYMENT EQUITY STATISTICS

It should be noted that these will be updated once operations start at the Thabametsi Coal Mine and that its contractors will be responsible for the development of their employment equity plans.

2.4.1 PLAN TO ACHIEVE 40% HDSA DEMOGRAPHIC REPRESENTATION IN MANAGEMENT

Thabametsi Coal Mine intends to have HDSA representation of 40% at all levels of management as set by the Mining Charter, through the following means: skills transfer; preferential recruitment of HDP candidates. The contractors will strive to comply with the EE Act and the Mining Charter regarding the minimum target set for HDP demographic representation at the senior management level, core and critical skills, middle management and junior management.

Thabametsi Coal Mine aims to achieve and maintain an equitable representation of designated groups at all levels in the workplace whilst supporting an organizational culture of diversity, equity and fairness. In keeping with fair and equitable employment practices, Thabametsi Coal Mine is committed to full compliance with the spirit and requirements of the MPRDA (Act 28 of 2002) and Employment Equity Act, (Act 55 of 1998).

Table 72: Employment equity plan undertaking summary and strategic action plan

Undertaking Summary	Thabametsi Coal Mine is committed to creating and maintaining a workforce that will promote the objective of the Employment Equity Act.	
Responsible Position	Strategic Plan	Timeframe
Human Resources Manager	The Mine will promote the recruitment of HDPs especially females into core positions within the Mine.	Continuous
Human Resources Manager	The Mine will encourage HDPs, Female employees and people with disabilities to participate in Career Development programmes', such as Learnerships, bursaries, and internships, among others.	Continuous

The operation’s EE Plan will be endorsed and driven by senior management and organized labour leadership where applicable since it is considered essential for all employees to be involved, committed, and dedicated to this process.



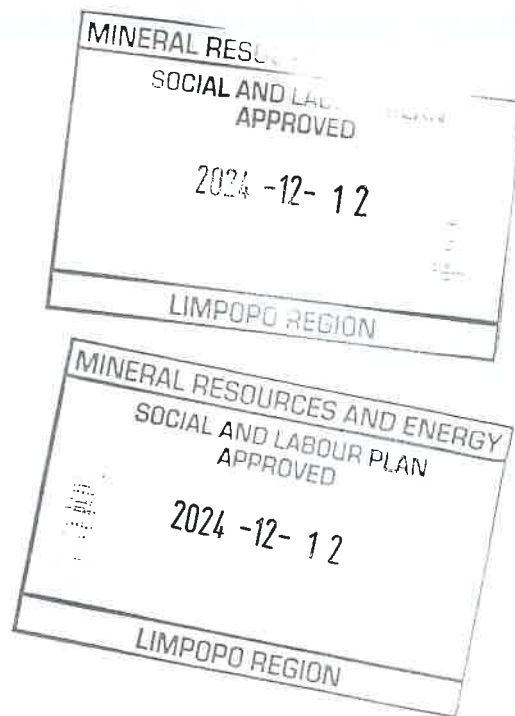
Table 13: HDPs in management

HDSAs in Management Positions	Year 1	Year 2	Year 3	Year 4	Year 5
	Prescribed Percentage				
Senior management (Paterson E level)	40%	40%	40%	40%	40%
Middle Management Levels (Paterson D Level)	40%	40%	40%	40%	40%
Junior Management Levels (Paterson C Level)	40%	40%	40%	40%	40%

Annual SLP Reports will be submitted to the DMRE – these will reflect progress on all of the above-mentioned elements.

Table 138: Thabametsi Coal Mine salary structure

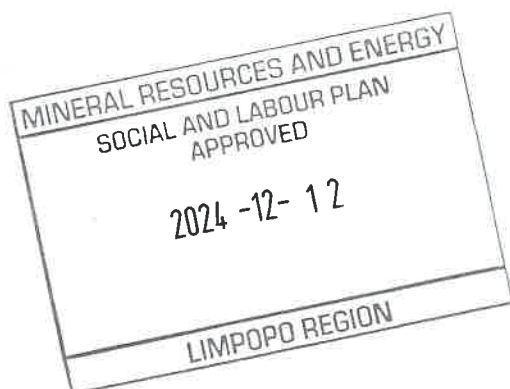
	Salary Bill – Cost to Company	5% of Salary Bill
Year 1	0	0
Year 2	0	0
Year 3	0	0
Year 4	0	0
Year 5	0	0



SECTION THREE

LOCAL ECONOMIC DEVELOPMENT PROGRAMME

**In compliance with Regulation 46 (c)
of the Mineral and Petroleum Resources Development Act**



2024-12-12

LIMPOPO REGION

3. SECTION 3: MINE COMMUNITY ECONOMIC DEVELOPMENT

3.1 SOCIAL AND ECONOMIC BACKGROUND INFORMATION

3.1.1 LIMPOPO PROVINCE

Limpopo Province is the northern-most province of South Africa with a landmass of 123 910km² covering approximately ten percent of the country. The province shares borders with Botswana in the West, Mozambique in the East and Zimbabwe to the North. Limpopo incorporates large sections of the former homeland areas of Lebowa, Venda and Gazankulu and this has left a deep imprint on the province in terms of widespread poverty and underdevelopment. Limpopo is rich in minerals, particularly in the south, while agriculture (livestock and crops), game farming and tourism are also important economic drivers in the region.

Limpopo is made up of four district municipalities: Mopani, Vhembe, Capricorn and Waterberg. In addition, the province shares two cross-boundary district municipalities with Mpumalanga, namely Sekhukhune and Bohlabela.

Limpopo is characterised by very low levels of urbanisation. The latest census statistics indicate that 86.7% of the population lives in rural areas. Limpopo's high level of poverty, and the rural nature of communities, have several effects on the socio-economic profile of the province. In terms of demography, Limpopo has the highest mean household size of 4.3 in relation to a national household size of 3.8. Furthermore, Limpopo has the highest proportion of female to males of all the provinces, a trend indicative of high rates of male out-migration.

Another manifestation of the rural nature of Limpopo is in the low skills base of its population, in particular, the portion of the population without schooling. A third (33.4%) of Limpopo's population has no schooling. More than twice as many women as men have no formal education. Limpopo also has the lowest percentage of matriculants, 14.0%, against a national average of 20.4%. Only 6.8% of the population has higher education qualifications, below the national average of 8.4%. Limpopo has the highest unemployment rate of all the provinces - 36.1% against a national average of 29.5%.

Analysis of the distribution of employment in the different sectors of the economy shows that the wholesale and retail trade is the largest employer in Limpopo, followed by community, social and personal services. Nearly two-thirds (63.9%) of jobs in the wholesale and retail trade sector are informal in contrast with about a third (34.4%) in Gauteng. Agriculture is the third-largest employer, accounting for 16% of the province's employment.

The services sector in Limpopo is considerably larger than that of provinces like Gauteng or KwaZulu-Natal, indicating that the government is an important source of employment in Limpopo. Not only is unemployment very high in Limpopo, but those who do have work tend to earn less than their counterparts in other provinces. One reason for lower wages in Limpopo relates to the skills base of its employed population.

Despite its lack of resources, the Province has made enormous strides in addressing its housing requirements - 70.7% of the population lives in formal housing, a higher percentage than the national average of 63.8%. More than 60% (63.8%) of Limpopo households have access to electricity and 78% have access to piped water.

Life expectancy in Limpopo is higher than the national average. Both HIV prevalence (as measured by women attending antenatal clinics) and the prevalence of tuberculosis (per 100 000 people) are considerably lower than the national figures, although the latter may be partly due to low detection rates in rural areas. Another area in which Limpopo holds an advantage over other provinces is in terms of its low crime rates.

3.1.2 WATERBERG DISTRICT MUNICIPALITY

As noted above, Limpopo consists of four district municipalities, including Waterberg where Thabametsi Coal will be located. While it is the largest of the Limpopo districts in terms of area, Waterberg has the smallest population and accounts for 12% of the province's population. The four municipalities also differ from one another in terms of the composition of their populations. Waterberg and Capricorn have more differentiated populations, with nine and four percent respectively of their populations made up of non-Africans. Waterberg's location in the southwest of Limpopo places it within easy reach of the urban and industrial complex of Gauteng. The influence of urbanisation is reflected in the educational levels of the populations of the five district municipalities, particularly in the percentage of adults with no schooling. Municipalities with higher levels of urbanisation, such as Waterberg (26%) and Capricorn (26%), have relatively lower proportions of populations without schooling. Similar patterns are apparent in relation to labour market status and income levels. Waterberg has by far the highest population employment rate at 38%. Waterberg also performs relatively well in terms of income in that it has the lowest percentage (57%) of households with incomes below R9 600 per annum or R800 per month.

The unemployment rates of the district municipalities reflect the same trends. At 31%, Waterberg has by far the lowest unemployment rate of the district municipalities. Waterberg has the highest Gross Geographic Product (GGP) per capita in the province. With a 41% contribution to the district's GGP, mining is the dominant economic sector in Waterberg. This is followed in order of importance by electricity, gas and water (17%), community services (14%) and hospitality and catering (11%). Agriculture accounts for 4% of the District's GGP.

Most jobs (23%) are in the community services sector, with mining, hospitality and agriculture accounting for 21%, 18% and 4% of jobs respectively. In terms of access to formal housing, Waterberg occupies an intermediate position with 17% of the population living in informal housing.

Waterberg appears to be relatively less well-off in terms of access to electricity. As in the case of housing, access to electricity does not appear to be directly related to income, employment, and education. In relation to water supply, the trends are very different. Municipalities with higher levels of income such as Waterberg and Capricorn

have higher levels of water in homes and yards and relatively low levels of water from natural sources. The situation in relation to sanitation facilities is similar to that of water supply.

Waterberg has an advantage over the other Limpopo district municipalities in terms of local government capacity. Although the Waterberg District Municipality has the largest number of local municipalities of all the district municipalities in the province, it has only 13% of the population of the province within its service area. What needs to be borne in mind, however, is the large geographical area covered by Waterberg. The geographical area of the municipality is 49 519 square kilometres, making up about 40% of the Limpopo province. In comparison with the eastern parts of Limpopo, Waterberg has relatively low population densities. Except for population concentration in the major towns, such as Bela-Bela and Thabazimbi, the major concentrations of population are in the north-eastern parts of the district, especially in Mogalakwena and, to a lesser extent, in Lephalale north-east of Thabametsi Coal.

3.2 LEPHALALE LOCAL MUNICIPALITY

The municipality of Lephalale is situated in the north-west of the Waterberg District and north of Thabazimbi, bordering Botswana in the West. It covers an area of 1,378,429.178 hectares and in terms of area is the largest of the Waterberg local municipalities and also the least urbanised. The main languages spoken are Sepedi (53%), Setswana (29%) and Afrikaans (9%). The majority of the population lives in scattered villages. Using a poverty line of R15,600 per annum, it's estimated that 75% of households are living in poverty.

Demographics profile:

The municipal population according to the official census of 2001 was 96,102 people, comprising 23,403 households. At that stage, the average household size was 4.1 persons. The population decreased to 80,141 persons and 23,745 households according to the community survey conducted in 2007 by Statistics South Africa. Statistical information was purchased from Global Insight for the purpose of the Lephalale LED Strategy. Global Insight estimated the population of Lephalale at 124,891 people in 2010.

Economic profile:

Lephalale contributes just over a quarter of the District's GGP (Gross Geographic Product). The dominant sector in Lephalale is electricity, a sector that is closely related to coal mining. Lephalale makes the largest contribution to agriculture in the district, accounting for 30% of GDP. Exxaro and Eskom activities contribute approximately 75% of the total economy in the area. The next largest contributions come from agriculture, followed by ecotourism.

Apart from the challenges of normal local economic growth, Lephalale is currently also dealing with the recent abnormal growth of the town due to the power station and mine

expansion activities. These projects will have an enormous impact on the delivery and expansion of services within the municipality. It is envisioned that the town will experience a large influx of people and will expand exponentially. One of the main goals of the Lephalale Development Forum, a public-private partnership, is to be a forum where these impacts can be discussed and where Government and the private sector join hands to address the challenges.

Gender profile:

More than 51% of the population in Lephalale is male, compared to a female dominance of 54.6% in Limpopo province. This can be attributed to the high incidence of contract workers and young male professionals coming into the municipality. Almost 54% of the population is of working age (between 19 and 64 years old) compared to the 42% for Limpopo province. The population of school-going age (42.8%) is lower than the provincial average age of (53%).

Education levels:

At 25.8% Lephalale Local Municipality has the second-highest rate of population in the Waterberg district with no schooling and the lowest rate, 13%, having a grade 12 level of schooling.

In rural Lephalale, there are 66 primary and secondary schools in the Phalala North and Phalala South education circuits. There are four schools in Marapong - two primary and two secondary schools. The population growth has resulted in the building of a fourth secondary school in Onverwacht. The table below indicates average pass rates for grade 12 learners in Lephalale.

Grade 12 Pass Rates:

YEAR	AVERAGE PASS RATE
2009	47%
2010	57%
2011	59%

The following further education and training are offered in Lephalale:

- The Further Education and Training (FET) College situated in Onverwacht offers engineering and business management training.
- Grovos, the Exxaro-owned institution, offers trade test qualifications.
- The Murray and Roberts Training Centre offers construction-related training.

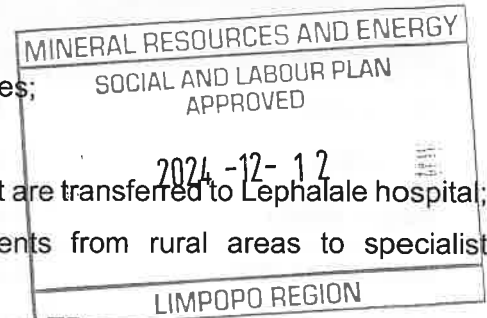
Health and HIV/Aids prevalence:

There are two public hospitals (Witpoort and Ellisras), one private hospital (Marapong) and six clinics in the Lephalale Municipal area. Mobile clinics provide services to settlements that are more than 10km from any health facility within the municipality. A

survey was done in 2009 estimated that about 8 983 (7%) of the population are HIV positive.

Although adequate, the health sector in Lephalale is faced with problems such as:

- Poor service delivery;
- Lack of medical specialists and qualified nurses;
- No public clinic in Onverwacht;
- Overnight facilities are needed for patients that are transferred to Lephalale hospital;
- Problems with the transport of state patients from rural areas to specialist services in Polokwane; and
- The need for public participation in HIV/Aids and TB awareness programmes.



Unemployment and poverty:

According to the Lephalale Municipality IDP 2012/2013 (p87), unemployment levels in Lephalale stand at 22.9%, this is below the provincial average due to all the local development relating to the new Eskom (Medupi) power station and the expansion of coal production at Grootegeluk Coal. The low unemployment rate in Lephalale needs to be balanced against the relatively high percentage of the municipality's population that is not economically active, which is 42.5%. Just over 45% of the households in the Lephalale local municipal area have an income of less than R9,600 per annum, however, the situation differs starkly between wards close to the mine, power station and town of Lephalale and more remote wards.

The majority of employed people are concentrated in elementary occupations (48%). The second major occupation category is skilled agricultural workers (13%). This occupation structure points to the vulnerability of the workforce in the context of expanding medium to high technology industrial activities in the local economy.

Employment profile: Economically active population (2009)

Number of economically active people, the official definition	51 844
The economically active population as a % of the total population	41%
Number of people unemployed	7 449
The unemployment rate, the official definition	14.4%
Number of formally employed people	30 774
Informal employment	6 840
Total employment: formal and informal	37 614
Number of households living on less than 1\$ per day	1 316 (1%)
Number of people living on less than 2\$ per day	8 250
Percentage of people living on less than 2\$ per day	6.3%

Lephalale Municipality: IDP 2011- 2012

Income profile (IDP 2012/2013, p37)

Annual household income		
Income categories	Households	Percentage
No Income	4,305	15,5%
R1-R4800	5,646	20,3%
R4801-R9600	6,937	25%
R9600-R 19 200	4,000	14,4%
R192001-R38 400	2,368	8,5%
R38 4001-R76 800	1,942	7%
R76 8001-R153 600	1,601	5,7%
R153 6001-R307 200	633	2,2%
R307 201 – R 614 400	148	0,5%
R614 000-R1,228 800	58	0,2%
R1,228,8001-R2,457 600	2024	0,2%
R2,457,601 – or more	38	0,1%
Total	27,756	100%

Source: Global Insight, Aurecon and Municipality

Water:

Water is a scarce resource in the Lephalale Municipality and currently, all the water for the urban areas originates from the Mokolo dam. Residents of rural areas obtain their water from groundwater sources (85% from boreholes and 15% from well field type boreholes in the riverbed alluvium).

It is estimated that 27.5% of households in Lephalale have piped water inside their dwelling, 14% inside their yard, 22.6% less than 200m from their dwelling, 20.5% further than 200m from their dwelling and 15% have no piped water at all.

Sanitation:

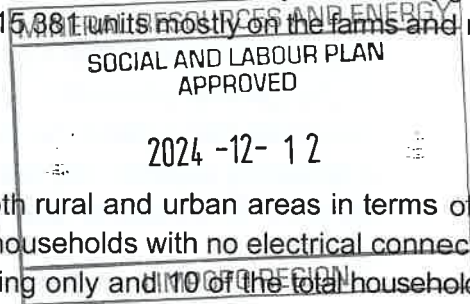
Lephalale does not have adequate water resources to accommodate a waterborne sanitation system for all. 32.5% of houses have flushing toilets, 16.8% have Ventilation Improved Pits (VIP), 44.3% have pit toilets and 6.1% of households have no toilet at all.

The pit latrines and VIPs in the rural area will need to be replaced with a more appropriate and environmentally acceptable sanitation system once a more detailed study on the most suitable technological solution for the existing ground conditions has

been completed. More than 50% of households in the municipality have unhygienic toilets. The sanitation backlog is estimated at 15 881 units mostly on the farms and rural villages.

Electricity:

Whilst attempts have been made to cover both rural and urban areas in terms of the delivery of electricity, there are still 19.3% of households with no electrical connection, 37.6% of households have electricity for lighting only and 10% of the total households in Lephalale receive free basic electricity.



Due to the current maximum demand and load growth in the town and surrounding areas, the distribution network will have to be upgraded to allow for expansion.

3.3 KEY ECONOMIC ACTIVITIES

The Limpopo Growth and Development Strategy defines Lephalale as a coal mining and petrochemical cluster. The area is currently experiencing growth driven by mining expansion and the construction of Medupi Power Station. Three clusters that are most relevant to Lephalale are coal and petrochemical, red meat and tourism (Lephalale Municipality IDP 2012).

The commissioning of Grootegeluk Coal laid the basis for the economic development of the area and the expansion of the town of Lephalale. The economic value of production in the Lephalale Municipality is driven by coal and electricity generation. In comparison, the contribution by other sectors to the value of production is relatively small. The structure of the local economy is likely to become even more concentrated after the coal mine expansions and the construction of the new powerstation.

Primary Sector:

The primary sectors in Lephalale are mining and agriculture. The commissioning of the Grootegeluk Coal Mine laid the basis for the economic development of Lephalale. Although coal is by far the biggest mining operation in Lephalale, there is one additional mine called the Glenover Phosphate Mine.

Secondary Sector:

The secondary economic sector in Lephalale is the production of electricity and is the greatest contributor to the region's GDP. The Matimba Power station produces around 12% of South Africa's current power supply and an additional power station, Medupi, is in construction.

Due to the estimated 50 billion tons of coal resources in the Waterberg coalfield, consideration is being given to the construction of more coal-fired power stations in the region, which will result in Lephalale, being the main source of energy production for South Africa soon.

Tertiary Sector:

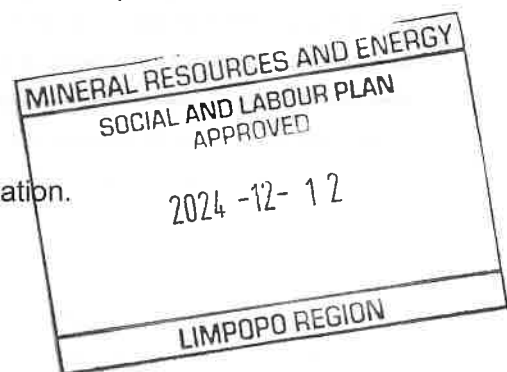
The tertiary sector of the economy is the service industry. This sector provides services to the general population and businesses, and in Lephalale, this would largely be industries that support the mining and energy producers in the form of technical and engineering support. The town is rapidly growing, and more businesses are moving into the area. This includes retail shops and restaurants.

Tourism contributes to the tertiary sector of the economy with several game lodges in the area. Hunting has been a large attraction to the region as well, although there is a move towards greater eco-tourism initiatives. Business tourism is also expected to increase as the mines and power stations expand.

3.3.1 WATERBERG DISTRICT MUNICIPALITY PRIMARY NEEDS

The district municipality has highlighted the following needs:

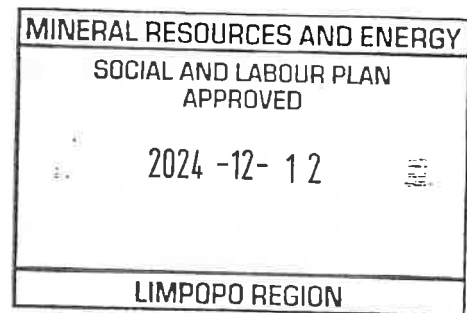
- Priority issue 1: Powers, duties and functions.
- Priority issue 2: Organisational restructuring and transformation
- Priority issue 3: Financial viability.
- Priority issue 4: Good governance and communication.
- Priority issue 5: Spatial restructuring and service provision.
- Priority issue 6: Health.
- Priority issue 7: Education.
- Priority issue 8: Welfare.
- Priority issue 9: Culture, sport and recreation.
- Priority issue 10: Safety and security.
- Priority issue 11: Emergency services.
- Priority issue 12: Electricity supply.
- Priority issue 13: Roads and stormwater.
- Priority issue 14: Transportation.
- Priority issue 15: Land reform and land administration.
- Priority issue 16: Human settlements.
- Priority issue 17: Environmental management.
- Priority issue 18: Waste management.
- Priority issue 19: Economic development and job creation.

**3.3.2 LEPHALALE LOCAL MUNICIPALITY PRIMARY NEEDS**

The local municipality has highlighted the following needs:

- Priority issue 1: Good governance and communications.

- Priority issue 2: Legal and administration.
- Priority issue 3: Human resource and performance management.
- Priority issue 4: Information communication and technology.
- Priority issue 5: Financial viability and sustainability.
- Priority issue 6: Local economic development and job creation.
- Priority issue 7: Land reform and administration.
- Priority issue 8: Solid waste management.
- Priority issue 9: Cemeteries.
- Priority issue 10: Sports and recreation.
- Priority issue 11: Parks and playing equipment.
- Priority issue 12: Buildings.
- Priority issue 13: Housing.
- Priority issue 14: Electricity.
- Priority issue 15: Water.
- Priority issue 16: Sanitation.
- Priority issue 17: Roads and stormwater.
- Priority issue 18: Emergency services.
- Priority issue 19: Safety and security.
- Priority issue 20: Licensing.
- Priority issue 21: Education and libraries.
- Priority issue 22: Health and environmental management.
- Priority issue 23: Gender and social development.
- Priority issue 24: Youth development.



The above priority issues in the municipality are formulated in such a manner that they address the following strategic goals:

- Poverty alleviation.
- Service delivery.
- Financial viability.
- Economic Growth and Development (LED).
- Good corporate governance.
- Good co-operative governance.
- Integrated environmental, social, economic and spatial aspects.

3.4 NEGATIVE IMPACT OF THE MINING OPERATION

The area in which Thabametsi Coal will operate consists of six different farms, which must be procured from the current owners and consolidated. There are no people to relocate nor are there any graves to exhume on any of the farms.

By the time the Thabametsi Coal is in full operation, envisaged to be in 2017, the Medupi power station will have been commissioned and the large number of contractors that were involved in the construction of Medupi will have left Lephalale. The capacity that the Lephalale municipality created to service the Medupi construction will be adequate to service the Thabametsi construction and its subsequent operations. The development of Thabametsi Coal will not put additional strain on the municipality's resources.

3.5 INFRASTRUCTURE AND POVERTY ERADICATION PROJECTS IN LOCAL AND MAJOR LABOUR-SENDING AREAS

Exxaro has an existing mine in the area, Grootegeluk Coal, which, together with Eskom, has embarked on and completed a significant integrated infrastructure development programme regarding water supply, road building and the electrification of rural villages.

Thabametsi Coal, being a new mine, will only be profitable about 10 years from the time of construction, and will therefore not be able to fund infrastructure programmes. Thabametsi Coal will focus on job creation and education.

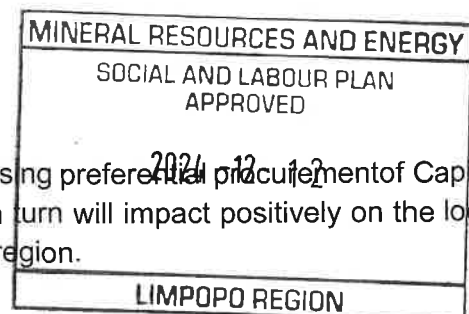
The following projects will be implemented over five years:

Table 9: Identified projects

Classification	Project	Need addressed	Municipality
Infrastructure Development	Paarl Sewer	Sanitation	Lephalale Local Municipality

Sustaining Existing Businesses

Thabametsi Coal will support local businesses using preferential procurement of Capital Goods and Services where practicable. This in turn will impact positively on the local communities and contribute to the GDP of the region.



3.6 DEVELOPMENT PROJECTS

The following projects will be implemented:

Paarl Sewer: The Paarl Sewer project will address sanitation issues causing extensive harm to the environment and severe health and safety risks to humans.

3.7 MEASURES TO IMPROVE HOUSING AND LIVING CONDITIONS

3.7.1 CURRENT STATUS OF AVAILABLE DWELLINGS FOR EMPLOYEES

Thabametsi currently has NO employees (including FTE's & Trainee's).

3.7.1.1 Employee housing

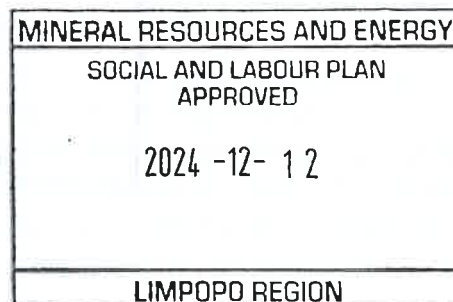
Table 40 indicates the type of housing available that will be occupied by prospective employees when Thabametsi is operational.

Table 40: Employee housing

Owned Property (private)	Houses on separate stands in urban areas (Lephalale, Onverwacht and Marapong)	-
Rented Property (Exxaro owned)	Single quarters, flats, family unit flats, simplex units, and houses) *	-
Rented Property (private)	Houses and flats	-
TOTAL		-

3.7.1.2 Exxaro owned rental housing

When operational, Thabametsi will provide rental accommodation for its employees from different housing typologies that meet the needs of employees, and the company maintains the occupancy rate of one employee per unit and family units. The housing units are physically, socially, and economically integrated into the existing Lephalale community settlements at Marapong and Onverwacht. Details of the rental Housing units are indicated in Figure 8.



AREA	UNIT TYPE	BED	UNITS
MARAPONG	Marapong SQ	1 Bdr (Phase 1)	204
		1 Bdr (Old units)	78
		3 Bdr (24 Old family units)	24
		3 Bdr (Phase 2: 56 units in process)	56
	Maroka's Manor	Bach	48
		1 Bdr	48
		2 Bdr	48
		3 Bdr	138
	Simplex	2 Bdr	10
	Houses	3 Bdr	40
Sub-Total			694
ONVERWACHT	Single Quarters	Single rooms	288
	Kokkeriba Units	1 Bdr	20
	PIT's units	1 Bdr	10
	Shepherd & Swartrif	Bach	18
		1 Bdr	66
		2 Bdr	138
		3 Bdr	42
	Dagbreek: Simplex & Duplex	1 Bdr	10
		2 Bdr	72
	Suurgras (Simplex)	2 Bdr	1
	Houses	3 Bdr	95
		4 Bdr	36
		5 Bdr	1
Sub-Total			797
TOTAL ACCOMMODATION			1491

Figure 8: Employee rental housing units

3.7.1.3 Marapong Single Quarters and Family Units

Exxaro does not have hostels but provides accommodation in the form of single quarters and family units. Exxaro is in the process of upgrading the Single quarters and Family units in Marapong. Upgrading 616 Single Quarters units will address the current sharing of ablutions facilities, as well as the 24 Family units. Marapong SQ Project Phase 1 completed; total of 204 (1 x bedroom) units. Phase 2 is currently in process and will consist of 56 (3 x bedroom), plan completion date 30 November 2022.

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3.7.2 CURRENT STATUS OF HOUSES WITHIN THE COMMUNITY

The majority of houses in the municipal area are of good quality brick construction, both in the urban core and the rural outlying areas (IDP 2017/2018, p73). A significant number of households in rural areas own the houses they live in.

About 68% of households in Lephalale live in houses on separate stands while 25% of households live in informal dwellings/shacks and traditional dwellings. (IDP 2017/2018, p74).

There is an oversupply of units in the upper market housing segment and an under supply of housing units on rental and low-income level in Lephalale. The housing backlog on lower income houses is currently at 24 008 units. Housing backlog in informal settlements and rural areas accounts for 50% of the total backlog (IDP 2017/2018. P74).

3.7.2 MUNICIPAL STRATEGY TO ADDRESS HOUSING

The Local Municipality has formulated the housing development strategy as follows:

- Increase urban densities and reduce sprawl.
- Focus housing development on the three nodal areas of Thabo Mbeki, Satateng and Ga-Seleka.
- Align housing development with infrastructure development.
- Settlements with communities established within the 1:100 flood line areas along the Phalala River will receive priority.

3.7.3 HOUSING AND LIVING CONDITION IMPROVEMENT PLAN

3.7.5.1 *Promotion of Home Ownership*

Exxaro long-term housing strategy is to pursue first-time home ownership and will be moving away from providing rental housing entirely.

3.7.5.2 *Housing and Living Condition Improvement Plan*

The Housing and Living Condition Improvement Plan is indicated in Table 41 below:

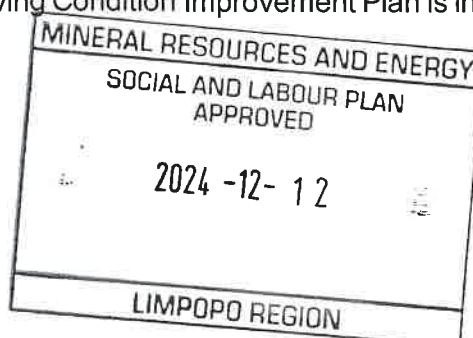


Table 41: Housing and Living Condition Improvement Plan

Housing Initiative	2021	2022	2023	2024	2025	Total
Upgrade single units	-	-	-	-	-	-
Refurbishment of 48 family units and build 8 new units	-	-	-	-	-	-
Sell Exxaro owned house	-	-	-	-	-	-

Housing Initiative	2021	2022	2023	2024	2025	Total
Provide FTTHO R125,000 once off Capital Assistance Housing Subsidy	0	0	0	0	0	0
Provide Housing Allowance	0	0	0	0	0	0

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LIMPOPO REGION

SECTION FOUR

MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

**In compliance with Regulation 46 (d)
of the Mineral and Petroleum Resources Development Act**



4. SECTION 4: MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

In the event of downscaling and retrenchments, consultation with employees will be affected in accordance with sections 189 and 189A of the Labour Relations Act (66) of 1995, as amended, (LRA) and any collective agreement that exists.

The Minerals and Mining Development Board will be notified as required by section 52 of the Act, where retrenchment of 500 employees or ten percent of the labour force, whichever is the lesser, is to take place in any 12 months.

This section outlines the process that Thabametsi Coal will follow when retrenchment due to operational requirements becomes unavoidable. It should be noted that this is the generic approach for Exxaro and can be modified because of consultation within the Future Forum

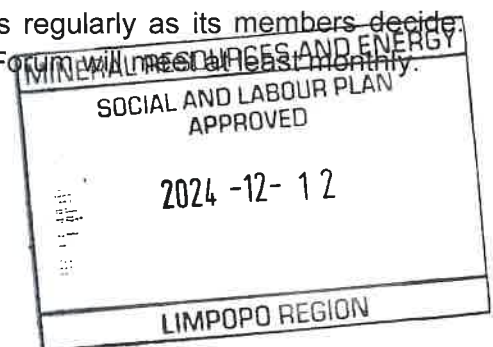
4.1 THE ESTABLISHMENT OF A FUTURE FORUM

The Thabametsi Coal Mine Future Forum will be established within two years of mining operations. It will consist of representatives of the employees and the management of the mining operation. The Forum will aim to promote an enduring dialogue between the employee representatives and management regarding the mining operation and factors affecting the mine's viability and impact.

The duties of the Forum include regular consultations between employee representatives and management on matters affecting the future of the mine, such as:

- Identification of possible solutions to identified problems and challenges facing the mining operation with regards to productivity and employment;
- Identification of production and employment turnaround strategies;
- Assistance in the development of appropriate redeployment strategies; and
- The implementation of solutions.

The Forum will meet at least bi-annually or as regularly as its members decide. When the closure of the mine is imminent, the Forum will meet at least monthly.



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

When the Thabametsi Coal Mine contemplates dismissing any employee(s) for reasons based on the employer's operational requirements the employer will consult with representatives and/or employees as required by sections 189 and 189 A of the LRA.

When the consultation has been completed, the Minerals and Mining Board will be informed of its outcome. At this point, the board can commence with its investigation and make recommendations to the Minister. Complying with the Minister's directive (if any) and confirming how corrective measures will be taken.

4.3 MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS AND PROCEDURES FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED

When an employer contemplates dismissing an employee(s) for reasons based on the employer's operational requirements the employer will consult with representatives / or any person with whom the employer is required to consult in terms of a collective agreement as required by section 189 and 189 A of the LRA.

Thabametsi Coal Mine will offer portable skills to employees throughout the life of mine, to ensure that they have skills other than those required by the mine, to lessen the negative impact and foster continued livelihoods if job losses cannot be avoided by the mine.

4.4 MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE MINE IS CERTAIN

4.4.1 MECHANISMS AND PROCEDURES FOR SKILLS TRAINING ON RETRENCHMENT

During the life-of-mine, training in portable skills is available to all employees. Unskilled and semi-skilled employees are particularly encouraged to take advantage of this opportunity.

Employees to be retrenched during downscaling or closure will additionally receive basic life skills, financial skills and small, medium and micro-enterprise (SMME) training voluntarily. Training shall be offered from three years prior to planned retrenchments and shall be limited to the relevant disciplines available for a limited period and a limited amount to be determined by the employer in consultation with the consulting parties/affected employees, including the Future Forum, after the date of retrenchment.

4.4.2 MINE CLOSURE OBJECTIVES AND ALTERNATIVE USE OF INFRASTRUCTURE AND LAND FOR SUSTAINABLE COMMUNITY DEVELOPMENT

At closure, the land on which the mine is located will be rehabilitated and made suitable for economically viable projects, such as agriculture.

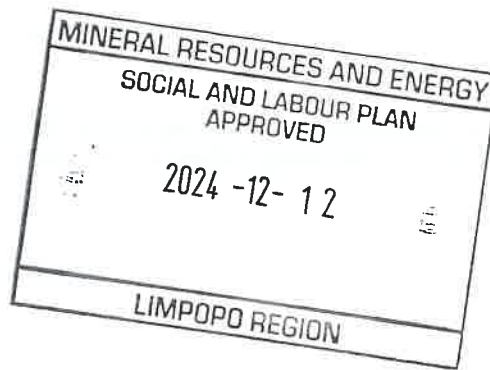
In partnership with the local municipality, projects will be set up prior to closure that will ensure optimal, sustainable, land use. Discussions will be held with the local municipality to establish the best use for infrastructure following the closure, to ensure that buildings that could be used, for example, to house SMME projects, are not simply demolished.

Table 10: Mine Closure Objectives

Item	Closure	Closure of a section/part of BU	Comment
No external recruitment (from outside the Exxaro group of companies)	No external recruitment will take place during the downscaling process, unless no suitably qualified employee, who complies with the inherent job requirements, is available at the affected BU		Coal HR operations manager & executive head of Exxaro group will monitor this
Redeployment	Can apply for vacancies in-group provided applicants have the required skills, qualifications and experience. BU will also inform neighbouring mines (not Exxaro) or other businesses in the area of the availability of affected employees	Can apply for vacancies in-group provided applicants have the required skills, qualifications and experience. Also, vacancies if other employees take VSPs	Standard group practice
Severance package	2 weeks for each completed year of service but will not be less than R20,000.00	2 weeks for each completed year of service but will not be less than R20,000.00	Standard group practice
Voluntary Severance Package (VSP)	Not applicable since the operation will be closed	2 weeks for each completed year of service as a mechanism to minimise forced retrenchments	Standard group practice
Early retirement	Not applicable	Not applicable	We do not have any deferred benefit retirement funds. There is no benefit for either the employee or employer in making such an offer
Re-skilling	Retrenched employees may attend the training courses (basic life skills, financial skills and SMME training). Training shall be limited to the relevant disciplines available for a limited period and an amount up to the cost of R12 000 sponsored by the employer per employee after the date of retrenchment. Attendance will be voluntarily in order to prepare them for life after the termination of employment (use it or lose it principle). Employees must attend courses within 6 months of termination of employment		Training to be provided by an external service provider to be accredited by Exxaro Resources Ltd, Human Resources Development Department (criteria such as preferably a Black Economic Empowered (BEE) company will be communicated in due course). Costs of training shall be paid directly to the applicable service provider.

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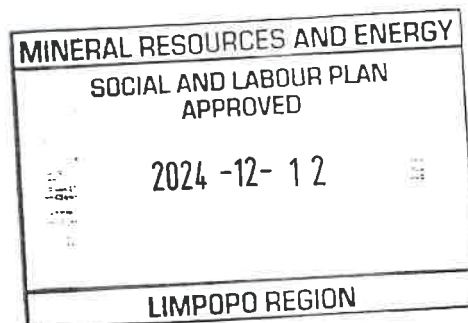
Item	Closure	Closure of a section/part of BU	Comment
Re-employment in group post retrenchment	Employees must advise the BU management that they would like to be considered for employment in future. This will only be applicable for a period of 12 months after the date of retrenchment. The onus is on the retrenched employee to supply the HR department at The BU with their contact details or alternative contact details.		Standard group practice
Short-term incentives	Retrenched employees will be entitled to any potential pro-rata short-term incentives payments during the financial year of retrenchment. The STI is for the year and period of employment within which they will be retrenched.		Standard group practice
Long-term incentives management schemes & ESOP	Employees retrenched will be regarded as good leavers in accordance with the ESOP and management shares scheme rules.		Standard group practice



SECTION FIVE

FINANCIAL PROVISION

In compliance with Regulation 46 (e)
of the Mineral and Petroleum Resources Development Act



5. SECTION 5: FINANCIAL PROVISION

Provision for the Social and Labour Plan 2021-2025 is indicated in the table below.

Table 11: Financial Provision

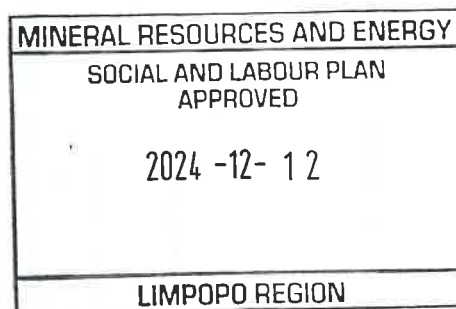
Description Item	Time period					Total budget
	2021	2022	2023	2024	2025	
Human resource development		R120 000	R360 000	R680 000	R800 000	R1 960 000
Local economic development			R1 450 200	R10 150 500	R550 667	R12 151 367
Management of Downscaling and Retrenchment (N.B. Funds will be used in the event of downscaling & retrenchment. Currently Thabametsi does not have employees)		R500 000		R1 500 000	R1 600 000	R4 600 000
Total			R2 810 200	R12 330 500	R2 950 667	R18 711 367

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SECTION SIX

UNDERTAKING BY THE APPLICANT

**In compliance with Regulation 46 (f)
of the Mineral and Petroleum Resources Development Act**



SECTION 6: UNDERTAKING

The Company Representative is responsible for the Social and Labour Plan, and for communicating the Social and Labour Plan to the employees and can be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at the time of such needs have made the following undertaking on behalf of Thabametsi Coal Mine.

I, Lazarus Ramashilabele the undersigned and duly authorised
thereto by Thabametsi Coal Mine

undertake to adhere to the information, requirements, commitments, and conditions as set out in this social and labour plan.

Signed at Grootegeluk Complex on this 16th day July 2024

Signed by: Mosimanegape Lazarus Rama
Signed at: 2024-07-16 19:29:03 +02:00
Reason: I approve this document Mosima



General Manager

Lazarus Ramashilabele



ANNEXURE A: PROJECT PLAN

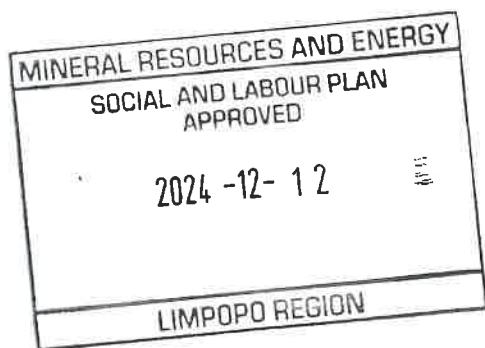
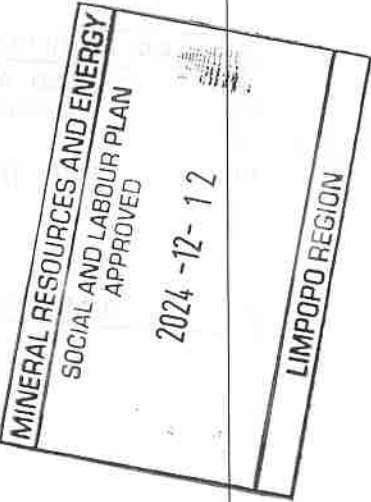


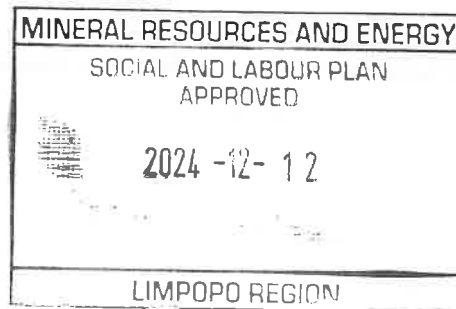
Table 25: Project Plan Template

Project name	Paarl Sewer Project (second phase)			Focus Area: Infrastructure
Background	<p>The previous Thabametsi SLP focused on the Paarl Sewer Project at a budgeted cost of R11m, however, it was later discovered that more work needs to be done to address major issues related to the project. As a result, Exxaro Grootegeluk and Municipality agreed on the second phase that needs to be added to the 2021-2025 SLP. The Pump stations and pipeline covered under this project are currently in non-functional and deteriorated states causing extensive harm to the environment and severe health and safety risks to humans. The Municipality does not have the necessary funds and required manpower to effectively rectify this unwanted status and is in serious need of Exxaro's assistance which will ensure that the problem is effectively solved.</p> <p>The additional funds required are double the funds made available from the Thabametsi SLP, however, it will even more in turn be regarded as a noticeable and much-appreciated contribution from Exxaro to the wellbeing of the town residents, the river downstream water users, the public, visitors, tourists, and the environment.</p>			
Geographical location of project	District Municipality: Waterberg District	Local Municipality: Lephalale Local Municipality	Village: Onverwacht	
Output	Key performance area: Condition of the pump station's sumps that enforces the moving of the pump sets to be installed outside of the pump station building. Condition and sizing of existing pump sets that need to be upgraded to correct selected pump sets to improve the hydraulic efficiency of the pump system. Installation of Variable Speed Drives (VSD) for all pumps to improve the pump system operation and sump capacities. Replacement of electrical supply cabling, motor control centers (MCC), distribution boxes (DB), switchgear and instrumentation systems.			
	Project start date: March 2021	Project end date: December 2025		
	Responsible entity (inclusive of all role players): Exxaro Resources Lephalale Local Municipality			

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	<p>Installation of a macerator and emergency screen inlet chamber at Pump Station 23 to address the huge number of solids, debris and rubble currently responsible for pump blockages.</p> <p>Replacement of emergency power supply Genset with sufficient capacity for power supply to the new pump sets and macerator.</p> <p>Civil and structural work is necessary at all three pump stations.</p> <p>Improvement of the hydraulic efficiency of the pump pipeline from PS 23 to PS 1(b).</p> <p>Pump Station security fencing refurbishment and replacement with new to protect the equipment from theft</p>		
<p>Timelines</p>	<p>Review the design. Documentation review and approval Procurement process Construction Handover</p>	<p>2021 2022 2022-2023 2023-2024 December 2025</p>	
<p>No. of Jobs to be Created</p>	<p>15 Jobs</p>		
<p>Exit strategy</p>	<p>A memorandum of understanding of understanding with the Lephalale Local Municipality which should provide details on care and maintenance. After completion of the project, Exxaro shall be involved in the first 12 months, beyond that, the municipality should take all the responsibility to ensure that the infrastructure is refurbished and protected from theft.</p>	<p>Cost</p>	<p>R12 151 367.00</p>

ANNEXURE B: PROCUREMENT REPORTING TEMPLATES



Procurement

Currently no procurement has taken place for Thabametsi Coal Mine. According to the mine works programme procurement activities are scheduled to begin once the Mining Right has been granted and all environmental authorisations obtained.

Thabametsi Mine is committed to the Mining Charter Inclusive Procurement requirements and will comply accordingly.

Table 26: Mining Goods Reporting Template

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

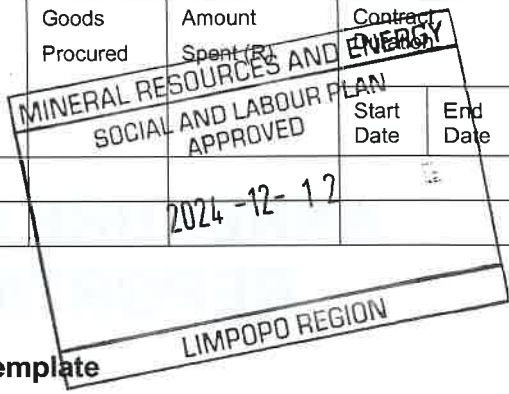


Table 27: Mining Services Reporting Template

Company	Ownership (columns for classification and percentages)			BBBEE Level	Services Procured ⁶	Amount Spent (R)	Contract Duration	
	HDP ⁵	Women	Youth				Start Date	End Date
Joubies	51%			2	Pipeline			
Conco	58.07% Women			1	Construction			
Virtuoso	51%			3	Fencing			

Table 28: Enterprise and Supplier Development Reporting Template

Company	Ownership (columns for classification and percentages)			BBBEE Level	Development Type ⁷	Development Activity ⁸	Amount Spent on Development Activity (R)	Development Duration	
	HDP ⁵	Women	Youth					Start Date	End Date

Table 29: Supplier Development through original Manufactures

Company	Ownership (columns for classification and percentages)			BBBEE Level	Standardised Product ID ⁹	Good to be supplied	Development Activity	Amount Spent on Development Activity (R)	Development Duration	
	HDP ⁵	Women	Youth						Start Date	End Date

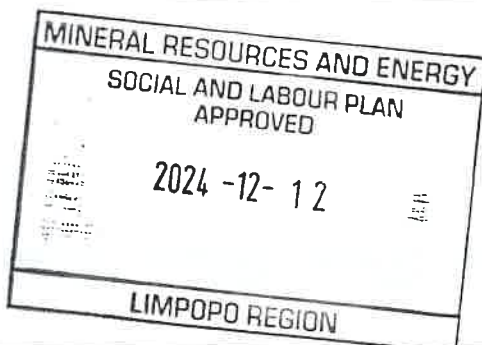
Table 30: Research and Development reporting Template

Entity	Research and Development Undertaken ¹¹	Amount Spent (R)
Total Research and Development Spent ¹² (R)		

Table 31: Sample processed in South Africa or Foreign Based facilities/Companies Reporting Template

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

DEFINITIONS OF OWNERSHIP CLASSIFICATIONS	
BI	Black Influenced
BE	Black Empowered
BO	Black Owned
BWO	Black Woman Owned
NOS	Non HDSA status
NOT SUBMITTED	Certificate not submitted
#	No Data



ENTERPRISE & SUPPLIER	Entity	Spend

ENTERPRISE & SUPPLIER DEVELOPMENT by Mine	Entity	Spend
SMALL/ MEDIUM ENTERPRISES OPERATING IN AND AROUND THE THABAMETSI COAL MINING AREA		

DEVELOPMENT by OEMs		
SMALL/ MEDIUM ENTERPRISES OPERATING IN AND AROUND THE THABAMETSI COAL MINING AREA		

Goods	Targets	Y1 Procurement Spend	Y2 Procurement Spend	Y3 Procurement Spend	Y4 Procurement Spend	Y5 Procurement Spend
South African Based Companies	70%					
HDSA	50% +1 owned and controlled (21%)					
Women & Youth	50% +1 Women owned and controlled and/or 50% +1 Youth owned and controlled (5%)					
BBBEE Compliant Companies	Minimum of 25% + 1 HDP ownership and at level 4 of the BBBEE codes (44 %)					

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Services	Targets	Y1 Procurement Spend	Y2 Procurement Spend	Y3 Procurement Spend	Y4 Procurement Spend	Y5 Procurement Spend
South African Based Companies						
HDSA	50% +1 owned and controlled (50%)					
Women	50% +1 Women owned and controlled (15%)					
Youth	50% +1 Youth owned and controlled (5%)					
BBBEE Compliant Companies	Minimum of 25% + 1 HDP ownership and at level 4 of the BBBEE codes (10 %)					
Goods	Targets	Y1 Procurement Spend	Y2 Procurement Spend	Y3 Procurement Spend	Y4 Procurement Spend	Y5 Procurement Spend

South African Based Companies	70%					
HDSA	50% +1 owned and controlled (21%)					
Women & Youth	50% +1 Women owned and controlled and/or 50% +1 Youth owned and controlled (5%)					
BBBEE Compliant Companies	Minimum of 25% + 1 HDP ownership and at level 4 of the BBBEE codes (44 %)					

