

TSHIKONDENI COASTAL COAL

SOCIAL AND LABOUR PLAN

2018 – 2022



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

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Acronyms

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 (Pty) Ltd (Coastal Coal)
Name of mine	Tshikondeni Coastal Coal
Company registration number	2000/01178/07
Physical address	Tshikondeni Coastal Coal Mine, Tshikondeni
Postal address	P.O. Box 50 Tshikondeni 0959
Telephone number	015 966 5000
Fax number	012 307 3745
Location of mine	Tshikondeni,Ha-Makuya
Commodity	Hard coking coal
Life of mine	Closed
Financial year end	December
Reporting year	2018
Responsible person	Ndivhuho Mugeru
Email address	Ndivhuho.Mugeru@Exxaro.com
Geographic origin of employees	Limpopo

Exxaro Tshikondeni Coastal Coal Mine is a closed operation which was a hard-coking coal producer located in the north-eastern corner of Limpopo Province, approximately 100km east of Tshipise and approximately 17km southeast of Masisi, adjacent to the Luvuvhu River and the Kruger National Park. The mine is located within Vhembe District in Limpopo Province.

Mineral rights are owned by the state. Tshikondeni leases the mineral rights from the state. The original lease agreement (K 12/1984 L) was granted in 1984 and was supplemented and amended in 1990 (K1 /1990 RM). The application for the conversion of the old order mining licenses to the new order mining rights as required by the MPRDA, act 28 of 2002, was submitted to the DME, Polokwane on 7 December 2005 and approval for conversion was granted under certain conditions, with which Exxaro has complied. The amended Environmental Management Programme Report (EMPR) as submitted for the conversion of the old order-mining license to the new order mining right was received in September 2007. A new order mining right (LP 34 MR) was granted for the area described as Goni, 285.34 ha in extent on 1 April 2009.

Exxaro closed its Tshikondeni mine in 2014. This was due to the depletion of Economically Mineable Reserves. Exxaro engaged in an intensive consultation process with various Government Department and Stakeholders as part of the Closure journey, with the DMR as the Principal Competent Authority. Exxaro submitted its closure EMP to the DMR in Dec 2016. The closure EMP was approved in December 2017. This has allowed the Mine to implement its Closure commitments with confidence and improved speed.

Exxaro intends to set a new standard for sustainable mine closure practices, a model which can be replicated worldwide, and one demonstrates the significance of projects which promote sustainability, job creation and social upliftment to local communities. In conjunction with the mine closure, Exxaro is in the process of executing the SLP Project. Tshikondeni Mine closure also resulted in the birth of the Legacy Project – the incorporation of a Non-Profit Company managed by the Makuya Tshikondeni Development Foundation, with investment from AMSA and Exxaro, and collaboration with government and wildlife authorities – all aimed at creating sustainable opportunities in the region.

1.2. Background to the Makuya-Tshikondeni Development Foundation (MTDF)

The Makuya-Tshikondeni Development Foundation is born out of commitments listed in the Tshikondeni Closure EMP. The MTDF business case proposes the development of an accommodation business venture, with the Makuya community as the beneficiary. Some of the planned activities ignites opportunities that will be linked to this new SLP especially on SMMEs Developments and associated trainings.

The MTDF will be developed with the assistance of Exxaro/AMSA and is dependent on the transfer of certain key assets from the Exxaro/AMSA Tshikondeni Coastal Coal Mine to the Makuya. This business case envisages a joint project vehicle (a Non Profit Company) established between the Makuya Traditional Council (MTC) and Exxaro/AMSA. Some of the key goals of the business are:

- To set up a business that gives consistent positive net revenues, that may be distributed to the Makuya community under the appropriate governance rules of the NPO.
- Establish innovative partnerships with key organisations to build resilience into the business case, but also to create non-financial benefits in the form of training and capacity development within the Makuya community and conservation support to the MNR activities.
- Leaving a positive legacy and stimulate benefits for the affected communities
- Creation of several small business opportunities for local communities.

1.3. LOCATION OF MINE

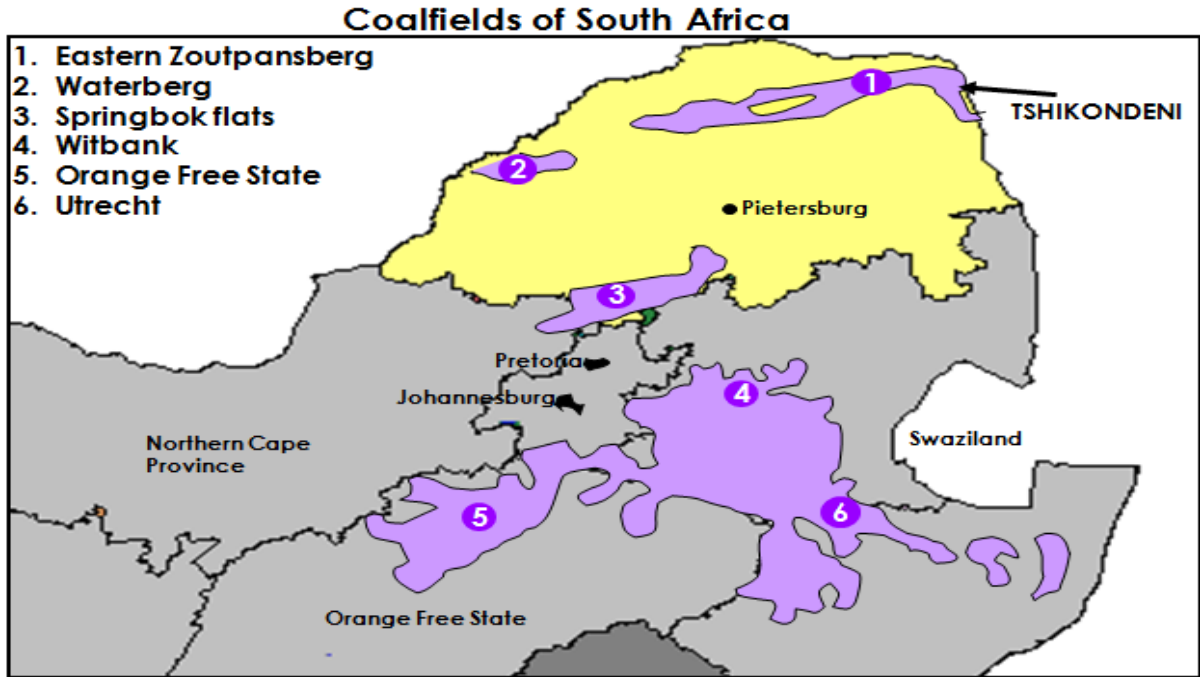


Figure 1: A simplified location and spatial information map for Tshikondeni Coastal Coal Mine

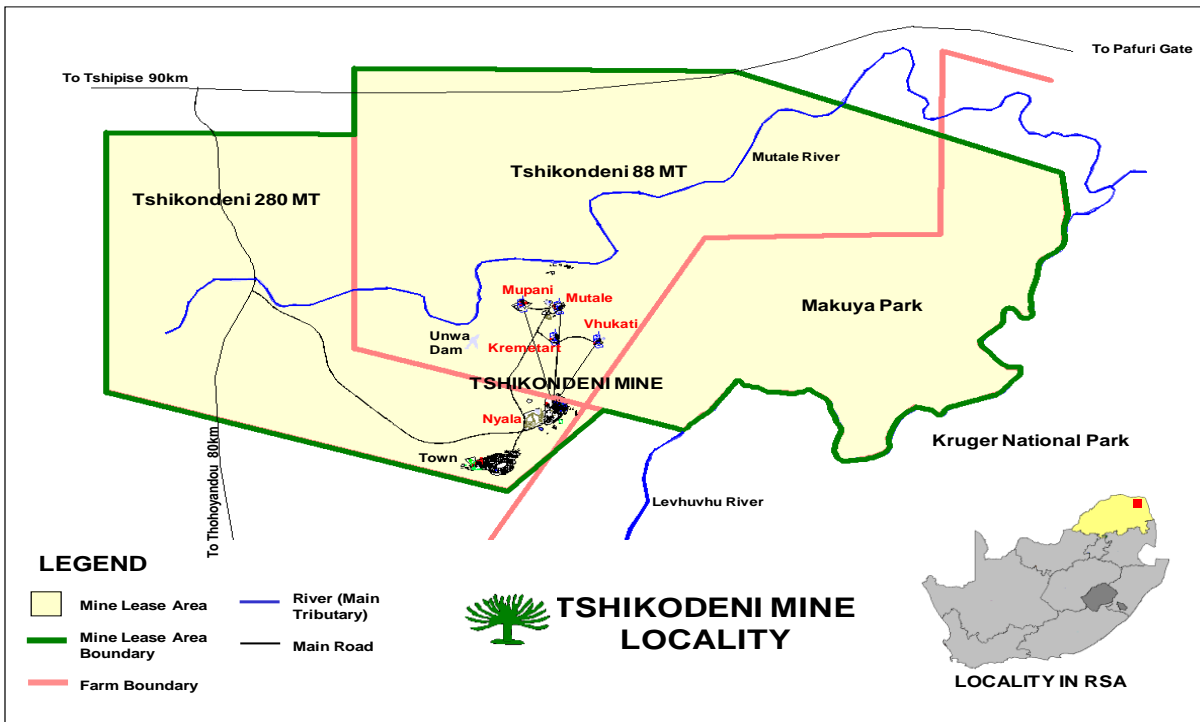


Figure 2: A route map showing the Tshikondeni Coastal Coal Mine location and Lease Boundary

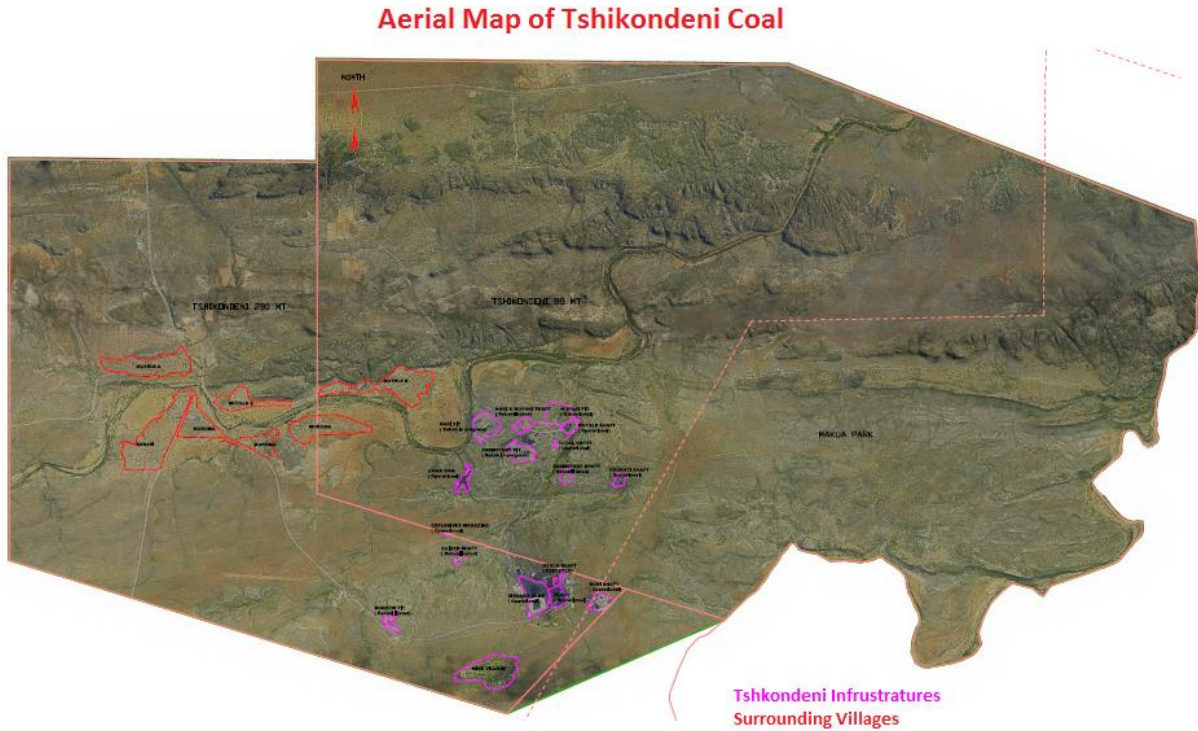


Figure 3: Tshikondeni Mine Lease Boundary and the district and local municipality boundaries, Mpumalanga Province

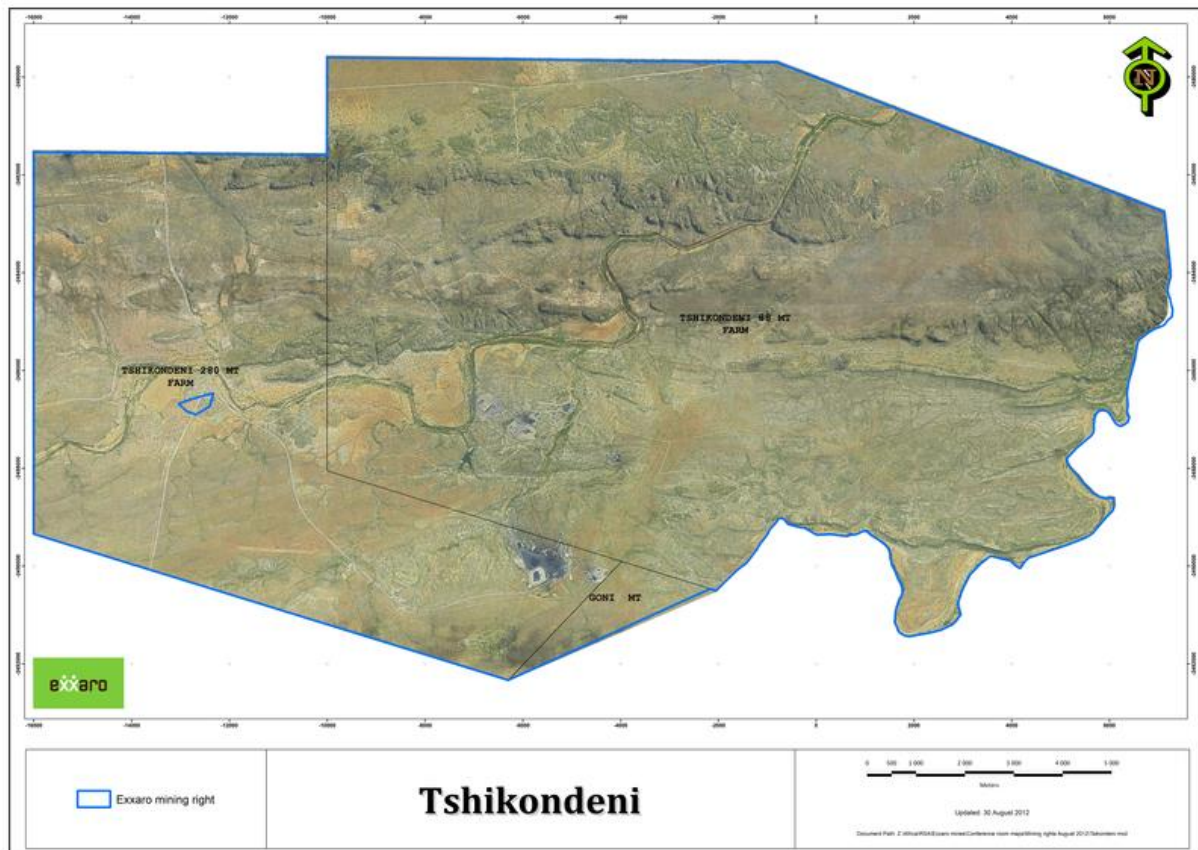


Figure 4: Aerial photograph

SECTION TWO

HUMAN RESOURCES DEVELOPMENT PROGRAMME

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

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2. SECTION 2: HUMAN RESOURCE DEVELOPMENT PROGRAMME

Exxaro human resources development policy aims to develop and sustain core competencies and to maximise its human resource capital in order to meet its strategic objectives and improve its operational performance.

2.1 COMPLIANCE WITH SKILLS DEVELOPMENT LEGISLATION

As from 1 January 2018 the Tshikondeni Structure moves over to Exxaro. Coastal Coal (L070744042). Thus no Workplace Skills Plans (WSP) information on planned training for 2018 was reported, it is part of the Coastal Coal WSP submitted.

Table 2: Skills development

Name of SETA.	<i>Mining Qualification Authority (MQA)</i>
Registration number with the SETA.	L070744042
Skills development facilitator.	Dalena van der Westhuizen
Proof of submission of work place skills plan.	Yes (Work place skills plan was submitted as part of Coastal Coal)

2.2 SKILLS DEVELOPMENT PLAN

2.2.1 BACKGROUND INFORMATION OF THE WORKFORCE

The current workforce comprises 7 permanent employees, 18 temporary employees and 133 contractors, which will reduce on a yearly basis from end of 2018 to 2023 until the total of the workforce will be 4 permanent employees for a period until 2025, for closure and rehabilitation activities.

2.2.1.1 Managerial development

The Tshikondeni Coastal Coal management skills development programme aims to support and capacitate new and existing managers and supervisors so that they are able to meet their current responsibilities and prepare themselves for the next level of management. The programmes used for development are the Basic Management Programme, First Line Management Programme and the Management Development Programme and Project Management. Employees are exposed to programmes applicable to their level and job specifications planned over the next three years.

2.2.1.3 2.2.1.2 **Plan for the provision of portable skills to employees**

The portable skills training will also focus on self-sufficient skills to staff that was retrenched and that will be retrenched until 2025.

Table 3: Portable skills training

Area of training	Targets and Timelines	Budget
	2018	2018
EMPLOYEES		
Poultry	0	0
Business Skills	25	375 000.00
Total number	25	375 000.00
Budget (R)		R375 000.00
RETRENCHED EMPLOYEES		
Poultry	1	15 000.00
Business Skills	6	90 000.00
Total number	7	105 000.00
Budget (R)		R105 000.00
TOTAL TO BE TRAINED		
Total number		32
Budget (R)		R480 000.00

2.2.1.1 Individual development plans

Individual Development Plans (IDP) exist for all employment categories from all level upwards at Tshikondeni Coastal Coal.

Presently, training is mainly job-related and according to compliance.

Skills development needs for present and higher positions will be clear and employees can play a larger role in their skills development. Progress through the training will be dependent on the employee.

Employees are all encouraged to upgrade their qualifications, or obtain new qualifications. Those studying in their own time in relevant and other key disciplines receive assistance with study fees and study leave in line with Tshikondeni Coastal Coal's leave policy.

3. EMPLOYMENT EQUITY PLAN

3.1.1 OBJECTIVES OF EE PLAN (ALIGNED WITH EE POLICY)

The objectives of the EE plan are to:

- Prevent the existence of unfair discriminatory practices.
- Prevent sexual and racial discrimination.
- Prevent the existence of barriers in the workplace which unfairly restrict the employment and promotion opportunities of any person.
- Achieve an enhanced representation of underrepresented categories of people with the emphasis on individuals from designated groups, at all levels in the organisation, focused on the long-term objective of reflecting the demographics of the South African population.
- Create an organisational culture in which diversity is encouraged and valued while focusing on shared values in order to develop team spirit, promote mutual understanding, optimise potential and achieve organisational goals in serving the community.

Tshikondeni Coastal Coal is committed to working towards employment equity and to adhering to the Mining Charter targets and objectives.

3.1.2 WOMEN IN MINING

The aim is to attract women to and retain women in the mining industry and to encourage the active participation of women in the mines.

Due to mine closure in December 2014, the five-year projection of women in mining cannot be completed.

Table 4: Women in mining – Tshikondeni

Women in mining (Paterson bands)		Actual					
		African	Coloured	Indian	White	Total	%
F & E	Top & senior management	0	0	0	0	0	0%
D	Middle management	0	0	0	0	0	0%
C	Junior management, non-managerial	0	0	0	2	2	9%
B	Semi-skilled	0	0	0	0	0	0%
A	Unskilled	0	0	0	0	0	0%
Total number of women		0	0	0	2	2	9%
Total number of employees = 22 (Actual)							

Table 5: Form S: Employment equity status

Form S: Actuals															
Permanent and FTE Employees															
Occupational levels	Male				Female				Total	Disabled		%	%	%	%
	A	C	I	W	A	C	I	W		M	F	HDSA	EE	WIM	DIS
Top management (Board) Paterson F-Band	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%	0%
Senior management (Exco) Paterson E-Band	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%	0%
Middle Management Paterson D-Band	1	0	0	0	0	0	0	0	1	0	0	5%	0%	0%	0%
Junior Management Paterson C-Band	6	0	0	4	0	0	0	2	12	0	0	36%	0%	9%	0%
Core Skills (Engineering, Mining & Plant)	9	0	0	0	0	0	0	0	9	0	0	41%	0%	0%	0%

3.1.3 HDSA IN MANAGEMENT

Table 6: HDSA in management

Element	Description	Measure	Compliance target
Employment equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (Board) (Paterson F-Band)	0%
		Senior management (Exco) (Paterson E-Band)	0%
		Middle management (Paterson D-Band)	5%
		Junior management (Paterson C Band)	36%
		Core skills	41%

SECTION THREE

LOCAL ECONOMIC DEVELOPMENT PROGRAMME

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

4. SECTION 3: MINE COMMUNITY ECONOMIC DEVELOPMENT

4.1 SOCIAL AND ECONOMIC BACKGROUND INFORMATION

4.1.1 LIMPOPO PROVINCE

The Limpopo Province, in which Tshikondeni is situated, consists of five district municipalities, namely: Capricorn, Mopani, Sekhukhune, Vhembe and Waterberg and 25 local municipalities.

The province's population is estimated at 5.2m of which 54.6% are women, 45.4% are men and youths 39.4%. The unemployment rate is estimated at 26,8% and the HIV infection rate is 21.5 %. (2010 quarter 1, Stats SA)

Key development priorities

- Agriculture
- Mining
- Tourism
- Manufacturing
- Trade and finance
- SMME Development
- Infrastructure Development

The central challenges to economic development are as follows:

- Poverty, unemployment and illiteracy
- High HIV/Aids levels
- The rural nature of the province
- Huge backlogs in infrastructure development [roads and schools]
- Brain drain
- Lack of appropriate skills
- Environmental degradation
- And a migrant population

National HIV and Syphilis Prevalence Survey: SA.2005. Department of Health

4.1.2 VHEMBE DISTRICT MUNICIPALITY

Vhembe is one of the five districts of Limpopo province. It is the northernmost district of the country and shares its northern border with Beitbridge district in Matabeleland South, Zimbabwe. Vhembe consist of territories that were part of the former Venda homeland, however, districts of northern and Western Gazankulu homeland were also incorporated into Vhembe, hence the ethnic diversity of the district. The seat of Vhembe is Thohoyandou, the capital city of the former Venda homeland. According

to the 2001 census, 800 000 Vhembe residents speak Venda as their mother language, 400 000 speak Tsonga and 27 000 speak Northern Sotho.

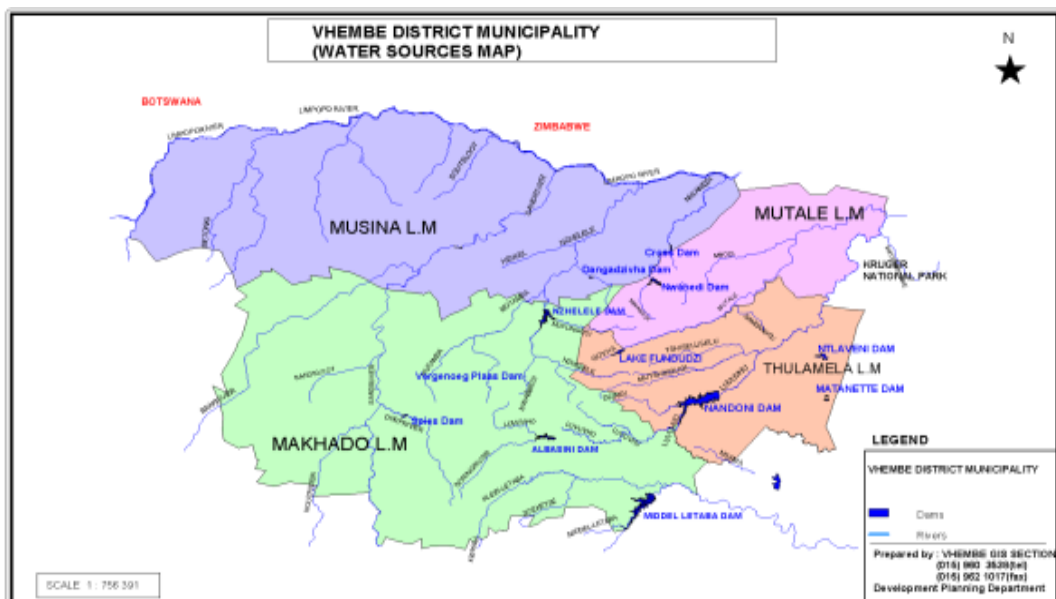
The main geographic feature of the district is the Soutpansberg Mountains. Vhembe is surrounded by the republic of Zimbabwe to the north, Mopani DM to the east, Capricorn DM to the south-west and Waterberg DM to the west.

4.1.3 LOCAL MUNICIPALITY

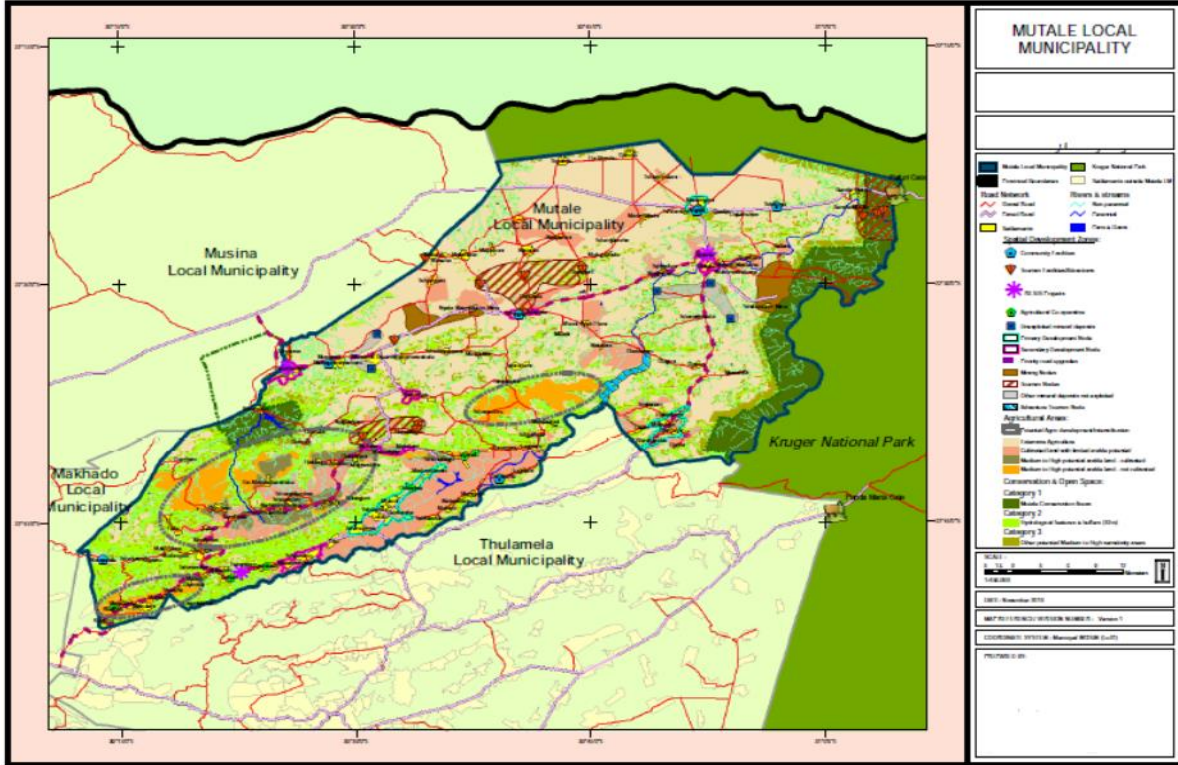
Tshikondeni Coastal Coal was operating under previously Mutale Local Municipality (LM) which was a category B municipality and was established in the year 2000 in terms of the Local Government Municipal Structures Act no. 117 of 1998. Mutale LM is one of four local municipalities comprising Vhembe District Municipality. It was situated in the far north eastern corner of the district. The Kruger National Park forms the eastern boundary, with the Limpopo River forming the north eastern boundary. The municipality shares borders with the Musina LM and Zimbabwe in the north, Mozambique in the east, Makhado LM to the west and Thulamela LM to the south. The Municipality could be accessed via the R525 linking the Kruger National Park to the other local municipalities within Vhembe District. It can also be accessed via the P277/1 linking Thohoyandou and Mutale Area.

Mutale Local Municipality has since been merged, with parts of it merged to the Existing Thulamela Municipality, and other areas merged to the existing Musina Municipality. Villages regarded as labour-sending to the mine has also been affected by the split, with certain approvals and engagements having to be done with the respective municipalities.

Both Thulamela and Musina Municipalities have lots of opportunities for development and vast land available for exploitation. However it is also an environmentally sensitive area. Opportunities are available in the area of agriculture, mining, tourism, arts and culture.



The municipality's location affords it many opportunities for tourism development. The total population of Mutale municipality was previously estimated at 131 215. It is estimated that there are 24,239 households in the municipality area and the average household size is five persons.



These maps show the location of previously known as Mutale municipality within the district and province.

4.2 MINE CLOSURE IMPACT

Existing operational impacts and future closure impacts:

- Note: the objective of mitigating impacts, is to prevent or reduce the impact before manifestation, consequently when an impact has already occurred it cannot be reversed
- Mitigation is only applied for closure impacts, mitigation measures designed for closure impacts will serve to alleviate the residual consequences of some operational impacts

Table 7: Operational Impact of Mine Closure

Impact	Significance	Summary
Employment	Very high positive	Large proportions of local employment have been a significant change agent in the area, considering that the pre-mining context likely had extremely high levels of unemployment and low levels of household income.

Impact	Significance	Summary
Economic growth	High positive	Procurement and other multiplier effects made a considerable direct and indirect contribution to economic development on a local and regional level, which would have improved the quality of life of a substantial number of people.
Fiscal impacts	Moderate positive	The Mine contributed financially to various levels of government (taxes and royalties). A considerable proportion of these funds were used to stimulate regional and especially local economic growth, mostly by re-investing the funds into infrastructure and socio-economic development.
Community development	High positive	Implementation of several LED and CSI initiative, with local communities being the major benefactors; however the effectiveness of these initiatives were limited. Contributions to community development i.t.o capital investment into infrastructure maintenance and development, as well as the establishment of several services.
Improved infrastructure (influx)	Moderate positive	Improved infrastructure will be beneficial to the MLM and local communities; infrastructure maintenance and utilisation by MLM will mediate the benefit to communities.
Social pathologies (influx)	Moderate negative	Mining related and communicable diseases and other social problems affecting employees, contractors and residents would likely result in a significant decrease quality of life for a relatively large number of people and their households.

Table 8: Closure Impact

Impact	Pre-mitigation	Recommended Mitigation	Post-mitigation
Job losses	Very high negative	<ul style="list-style-type: none"> • Employment created through transfer of Mine infrastructure and services • Portable skills development • LED, especially enterprise development plans 	Moderately negative
Impacts on mine suppliers and local businesses	High negative	<ul style="list-style-type: none"> • LED, especially enterprise development plans • Alternative local employment; and • Portable skills development 	Low negative
Psychological impacts (e.g. employees, dependents and communities)	High negative	<ul style="list-style-type: none"> • Measures suggested to mitigate impacts related to job losses • Addressing issues on a personal level by professional mental health care workers; • Counselling services for all employees and dependants; and 	Very low negative

Impact	Pre-mitigation	Recommended Mitigation	Post-mitigation
		<ul style="list-style-type: none"> Mitigation measures need to be informed by those being affected. 	
Misuse of retrenchment packages	High negative	<ul style="list-style-type: none"> All mechanisms that will promote employment after closure Portable skills training should cover the sustainable use of retirement funds (e.g. financial management, reinvestment etc.). 	Low negative
Health and safety impacts	Moderate negative	<ul style="list-style-type: none"> Major dismantling activities during Mine closure should be minimized Intensify implementation of standard operational health and safety protocol Measures to mitigate psychological impacts. 	Very low negative
Withdrawal of mine support to local infrastructure and services	Moderate negative	<ul style="list-style-type: none"> Encourage government and communities to plan for the eventuality of Mine closure. Tshikondeni and local government should enter into a handover period during which maintenance and service delivery activities are gradually handed over to government Tshikondeni should transfer the necessary skills (if required) and techniques that might apply to each of the respective tasks Measures to address portable skills development, employment, and infrastructure maintenance. 	Low negative
Fiscal impact	Very high negative	<ul style="list-style-type: none"> Measures that can preserve some of the municipality's tax income include: LED and Enterprise development plans, Alternative local employment, and skills development. 	Moderate negative
Social mobilization	Moderately negative	<ul style="list-style-type: none"> Nurture goodwill among communities stemming from alternative employment schemes, skills and enterprise development; and transfer of Mine infrastructure Capitalise on the existing goodwill through appropriate mitigation, as follows: <ul style="list-style-type: none"> Honour commitments in SLP The Mine should be transparent regarding remaining LED initiatives; The findings of any specialist studies should be summarised and presented to the surrounding communities; and Undertake regular community briefings to ensure community complaints are identified. 	Low negative

4.3 PROCUREMENT PLAN

Exxaro has committed itself to pro-active initiatives to ensure constructive participation by Historically Disadvantaged South African people in various Exxaro business opportunities.

Exxaro Encourages a fair competition opportunity and will embrace or give preference in terms of the Exxaro Preferential Procurement Policy and related law and regulations to suppliers with capacity and that have strong BEE credentials.

In all business practices, external suppliers are engaged and effort is made to contract with a supplier that has strong BEE/BBBEE credentials or is making a concerted and tangible attempt to transform their business in order to be BEE/BBBEE compliant as set out in the Preferential Procurement Policy;

Compliance with BBBEE constitutes a material condition of Exxaro's contractual terms with its suppliers and as such implementation of BBBEE programs and initiatives by suppliers is monitored for compliance.

4.3.1 PREFERENTIAL PROCUREMENT

Exxaro Tshikondeni Coastal Coal is committed to Exxaro's Preferential Procurement Policy and will:

- where practical, give preference to BEE and local suppliers;
- nominate certain tenders for the exclusive participation of BEE and/or local suppliers;
- disclose procurement opportunities to BEE and local suppliers;
- ensure that BEE and local suppliers are an integral part of the evaluation criteria;
- identify goods and services available within the community where the mining operation takes place and, where feasible, give preference to suppliers of the local communities;
- Set relevant annual targets for Tshikondeni Coastal Coal and measure progress against the set target.

SECTION FOUR

MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

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

5. MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

Consultation with employees has been effected in accordance with sections 189 and 189A of the Labour Relations Act (66) of 1995, as amended, (LRA) and the existing collective agreement.

The Minerals and Mining Development Board has been notified as required by section 52 of the Act, with regards to the mine closure. The following section outlines the process that **Tshikondeni Coastal Coal** will follow with regards to the retrenchment process arising from the impending closure of the mine. It should be noted that this is the generic approach for Exxaro, and can be modified as a result of consultation process.

Employees to be retrenched will additionally receive basic life skills, financial skills and small, medium and micro-enterprise (SMME) training on a voluntary basis. Training has been offered from three years prior to planned retrenchments. It is limited to the relevant disciplines for a limited period and a limited amount determined by the employer in consultation with the consulting parties/affected employees, including the Future Forum, until after the date of retrenchment.

Table 9: 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 comply with the inherent job requirements, are available at affected BU		Coal HR operations manager & executive head Exxaro group will monitor this
Redeployment	Can apply for vacancies in group provided applicants have required skills, qualifications and experience. BU will also inform neighboring mines (not Exxaro) or other businesses in area of availability of affected employees	Can apply for vacancies in group provided applicants have required skills, qualifications and experience. Also vacancies at BU if other employees take VSP's	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

Item	Closure	Closure of a section / part of BU	Comment
Re-skilling	<p>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 on a voluntary basis in order to prepare them for life after termination of employment (use it or lose it principle). Employees must attend courses within 6 months of termination of employment</p>		<p>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.</p>
Re-employment in group post retrenchment	<p>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 date of retrenchment. The onus is on the retrenched employee to supply the HR department at The BU with their own contact details or alternative contact details.</p>		<p>Standard group practice</p>
Short-term incentives	<p>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.</p>		<p>Standard group practice</p>
Long-term incentives management schemes & ESOP	<p>Employees retrenched will be regarded as good leavers in accordance with the ESOP and management shares scheme rules.</p>		<p>Standard group practice</p>

SECTION FIVE

UNDERTAKING BY THE APPLICANT

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

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6. SECTION 5: UNDERTAKING

The **Manager Mine Closure**, who is the person responsible for the social and labour plan, and for communicating it to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs has made the following undertaking on behalf of **Tshikondeni Coastal Coal**.

I, NL Mugeru the undersigned and duly authorised thereto by Exxaro, Tshikondeni Coal Mine undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at Tshikondeni on this 7th day June 2021.



Ndivhuho Mugeru
Manager Mine Closure
Tshikondeni Coastal Coal

ANNEXURE A: PROJECT PLAN

Project Name	Enterprise Development			Local Economic Development			
Background	<p>To exploit business opportunities presented by the Tshikondeni Legacy Project, Exxaro will select three SMEs from the local community to participate in Exxaro's Enterprise Development Programme. The development programme will consist of the following elements:</p> <ul style="list-style-type: none"> • Formal business acumen training, • Personalised mentoring and coaching, • Business support , and • Support to access funding. 						
Geographical location of project	District Municipality Vhembe	Local Municipality Mutale	Village Still to be determined	Project Start Date August 2018	Project End date December 2021		
Output	Key Performance Area: Local Economic Development	Key performance indicator : Develop three SMEs to sustainability measured in terms of growth in number of employees, growth in turn-over and growth in net asset value	Responsible entity (inclusive of all role players) Tshikondeni Mine Community Local Municipality Enterprise Development Service Provider				
Budget	2018		2019		2020		2021
	R350,000		R760,000		R760,000		R760,000
Classification of jobs	No of jobs to be create	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments

Short-term	15	1	2	4	8	15	In the short term each SME will employ 4 people, which can be increased to 8 after two years of operation
Medium-term	30	2	4	8	16	30	
Long-term	0	0	0	0	0	0	
<p>Completion date and exit strategy</p> <p>The initiative will terminate in December 2021. The beneficiaries of this initiative will be the local community.</p> <p>SMEs will graduate from the programme when sustainability criteria are met as set by the Enterprise Development Service Provider. The sustainability criteria will be managed throughout the development programme</p>							