



DE BEERS  
GROUP OF COMPANIES

# VOORSPOED MINE SOCIAL AND LABOUR PLAN 2013 – 2017



# CONTENTS

<b>1. INTRODUCTION</b>	<b>5. MINE COMMUNITY DEVELOPMENT PROGRAMME</b>
<a href="#">1.1 Objectives of the Social and Labour Plan</a>	<a href="#">5.1 Introduction</a>
<a href="#">1.2 Voorspoed Mine Mining Right</a>	<a href="#">5.2 Stakeholder Engagement</a>
<b>2. PREAMBLE</b>	<a href="#">5.3 Socio-Economic Background</a>
<a href="#">2.1 Information</a>	<a href="#">5.4 Key Economic Activities</a>
<a href="#">2.2 Locality of the Mine</a>	<a href="#">5.5 Social Impacts</a>
<a href="#">2.3 Size and Breakdown of the Workforce</a>	<a href="#">5.6 Community Needs</a>
<a href="#">2.4 Labour Sending Areas</a>	<b>6. HOUSING AND LIVING CONDITIONS PLAN</b>
<b>3. HUMAN RESOURCES DEVELOPMENT PROGRAMME</b>	<b>7. PREFERENTIAL PROCUREMENT PLAN</b>
<a href="#">3.1 Introduction</a>	<a href="#">7.1 Basis for Targets</a>
<a href="#">3.2 Compliance with Skills Development Legislation</a>	<a href="#">7.2 Definitions</a>
<a href="#">3.3 Hard-to-Fill Vacancies</a>	<a href="#">7.3 Influence of Preferential Procurement</a>
<a href="#">3.4 Skills Development Plan</a>	<b>8. PROCESS TO MANAGE DOWN SCALING AND RETRENCHMENTS</b>
<a href="#">3.5 Career Progression Plan</a>	<a href="#">8.1 Introduction</a>
<a href="#">3.6 Mentoring Plan</a>	<b>9. FINANCIAL PROVISION</b>
<a href="#">3.7 Bursary and Internship Plan</a>	<b>10. UNDERTAKING</b>
<b>4. EMPLOYMENT EQUITY PLAN</b>	
<a href="#">4.1 Introduction</a>	
<a href="#">4.2 Objectives to be achieved for each year of the plan</a>	
<a href="#">4.3 Workplace Barriers and Affirmative Action Measures</a>	
<a href="#">4.4 Employment Equity Profile and Goals</a>	
<a href="#">4.5 Mining Charter Employment Equity Profiles and Goals</a>	





## SECTION 1

# INTRODUCTION

### 1. INTRODUCTION

*De Beers Consolidated Mines Limited (“DBCM”) officially opened Voorspoed Mine on 4 November 2008. The Mine is located on the farms Voorspoed 401, Voorspoed 2480, Geldenhuys 1477 and Morgenster 772 and lies approximately 30 kilometres north east of Kroonstad in the Fezile Dabi District within the Free State Province (see Figure 1). After progress in processing technology DBCM commenced feasibility studies in 2003 for an open pit operation.*

*Based on the 2012 Strategic Business Plan it is currently envisaged that the open pit diamond mine will treat approximately 36.5 million tons of kimberlite ore during its life and recover an estimated 7.3 million carats of diamonds.*

*The mining method includes drilling, blasting, loading and hauling waste rock and kimberlite using conventional truck and shovel methods. A waste rock dump exists along the pit boundary and the kimberlite ore is stockpiled adjacent to the plant where it is crushed and processed to recover the diamonds. A coarse resource tailings dump is generated along with a fines residue disposal facility for the*

*kimberlite fines (silt and clay). As such the production process is a physical extraction process and not a chemical one.*

### 1.1 OBJECTIVES OF THE SOCIAL AND LABOUR PLAN

*In accordance with the Mineral and Petroleum Resources Development Act, No. 28 of 2002, the objectives of Voorspoed Mine’s Social and Labour Plan is to consider Voorspoed Mine’s social development programmes in the context of generally recognised standards of sustainable development by integrating the social, economic and environmental factors in planning the mining operations throughout the life of the mine. This is accomplished by:*

- *promoting employment and contributing to the economic welfare of the people of the Fezile Dabi District Municipality and South Africans in general;*
- *contributing to the transformation of the mining industry;*
- *extending Voorspoed Mine’s contribution to the socio-economic development of the Fezile Dabi District, and more specifically the Moqhaka and Ngwathe Local Municipalities.*

**1.2 VOORSPOED MINE MINING RIGHT**  
*DBCM obtained a mining right in terms of Section 22 of the Mineral Petroleum Resources Development Act, 28 of 2002 (“the Act”) to mine diamonds in kimberlite for its Voorspoed Mine on 10 October 2006. As Part of the application for the above mentioned mining right, DBCM submitted a Social and Labour Plan for the period 2007 to 2011.*

*In order to remain compliant with the terms and conditions of the current mining right, Mining Right number: FS30/5/1/2/2/12MR issued to DBCM for the Voorspoed Mine in terms of Section 23 of the Act, DBCM has developed a revised Social and Labour Plan for the period 2012 to 2016 in terms of Regulation 46 as read with Regulation 43 and 44 of the Act, and will be referred to as the Voorspoed Mines Social and Labour Plan Version 2. The Social and Labour Plan Version 2 document will supersede the Social and Labour Plan dated, 18 August 2006 submitted with the original application for the mining right.*

*The revised Social and Labour Plan is an account of Voorspoed Mine’s ongoing commitment to give effect to the objectives of the Mining Charter.*



## SECTION 2

# PREAMBLE

### 2.1 INFORMATION

Name of the Company	De Beers Consolidated Mines Limited
Name of the Mine	Voorspoed Mine
Mining Right Number	FS30/5/1/2/2/12MR
Mine Physical Address	Farm Voorspoed Road S156 9500
Mine Postal Address	P O Box 1964, Kroonstad, 9500
Mine Telephone Numbers	056 216 8529
Mine Fax Number	056 216 8542
Product Mined	Diamonds, Diamond (Alluvial), Diamond (General) Diamond (In Kimberlite)
Life of Mine	2020 (8 years)
Financial Year	1 January to 31 December
Reporting	By 31 March each year
Responsible Person	Nompumelelo Zikalala – General Manager

### 2.2 LOCALITY OF THE MINE (FIGURE 1)



### 2.3 SIZE AND BREAKDOWN OF THE WORKFORCE

As at 31 December 2011 Voorspoed

Mine employed 392 employees, with the projection of 462 employed by the end of 2012. The workforce is diverse in that 33% are females with 29% being women (Mining roles) in technical. 54% of the employees are recruited from the labour

sending area articulated in paragraph 2.4. Of the total workforce 2% are people with disabilities.

DBCM as the holder of the Voorspoed Mine mining right (as defined in the MPRDA), acknowledges that the holder of a mining right remains responsible for compliance with the requirements of the MPRDA even if the

holder appoints a contractor to perform work within the boundaries of the mining area.

In light of the above, DBCM will endeavour, through its contractual requirements, to assist its contractors to comply with the requirements of the relevant legislation.

TABLE 1: PERMANENT AND FIXED TERM EMPLOYEE OCCUPATIONAL LEVELS AS AT DECEMBER 2011

Occupational Level	Male						Female						Grand Total
	A	C	I	W	FN	Total	A	C	I	W	FN	Total	
Top Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	4	0	5	1	0	0	0	0	1	6
Professionally qualified and experienced professionals and Middle Management	8	4	0	11	0	23	3	0	0	2	1	6	29
Skilled technical and academically qualified workers, Junior Management, supervisors, foremen and superintendents	38	16	0	25	0	79	12	7	0	16	0	35	114
Semi-skilled and discretionary decision making	104	18	1	8	0	131	55	7	0	3	0	65	196
Unskilled and defined decision making	23	3	0	0	0	26	20	1	0	0	0	21	47

Note: Occupational levels in the table are reported according to the Employment Equity Act Framework

### 2.4 LABOUR SENDING AREAS

Voorspoed Mine is located in the Fezile Dabi District Municipal area and Table 2 below reflects the areas from which the majority of the workforce has been sourced.

TABLE 2: NUMBER OF EMPLOYEES PER MUNICIPALITY

Municipal Area	Cities/Towns/Villages	Number	%
Moqhaka Municipality	Kroonstad, Steynsrus, Viljoenskroon	172	44%
Ngwathe Municipality	Parys, Heilbron, Koppies, Koepel and Vredefort	28	7%
Mafube Municipality	Frankfort, Tweeling, Cornelia and Villiers	4	1%
Metsimaholo Municipality	Sasolburg, Deneysville, Oranjeville and Vaal	4	1%
Lejweleputswa Municipality	Bothaville, Welkom, Odendaalsrus	10	3%
Other areas in RSA	Johannesburg, Kimberley, Namaqualand, etc.	174	44%



## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

### 3.1 INTRODUCTION

*DBCM is cognisant that the achievement of its strategic objectives is dependent on optimising the capability and potential of its employees. DBCM is fully committed to the structured and systematic training and development of all its employees on an on-going basis to enable them to perform their duties safely, effectively and efficiently. Training and development also ensures that employees acquire the necessary competencies and related qualifications to meet DBCM's future human resources needs.*

*Within this context DBCM's Human Resources Development Programme will accordingly support the Mine Works Programme, as well as, the countries National skills strategy and transformation objectives. Training and development will flow from DBCM's strategic objectives, performance management system, human resources planning processes, as well as Skills Development and Employment Equity Plans. Human Resources Development will take place in a coordinated and structured manner within the parameters of annual budgets and operational requirements.*

*The DBCM Human Resources Development Programme will take cognisance of a framework that includes:*

- *A Skills Development Plan, which includes:*
  - *Support for learners in ABET programmes*
  - *Learnerships Programmes*
  - *Skills Development Programmes*
- *Career Progression Plans*
- *Mentoring Plans*
- *Internship Plans*
- *Study Assistance and Grants*

### 3.2 COMPLIANCE WITH SKILLS DEVELOPMENT LEGISLATION

*DBCM Human Resources Development Programme has been developed and is implemented in accordance with the National Skills Development Framework as provided for in terms of the Skills Development Act 97 of 1998 and the general requirements of the Mining Qualifications Authority. The following compliance details are pertinent in this regard;*

**Name of SETA:**

*Mining Qualifications Authority (MQA)*

**Registration with the SETA:**

*Q1 2013*

**Skills Development Levy No:**

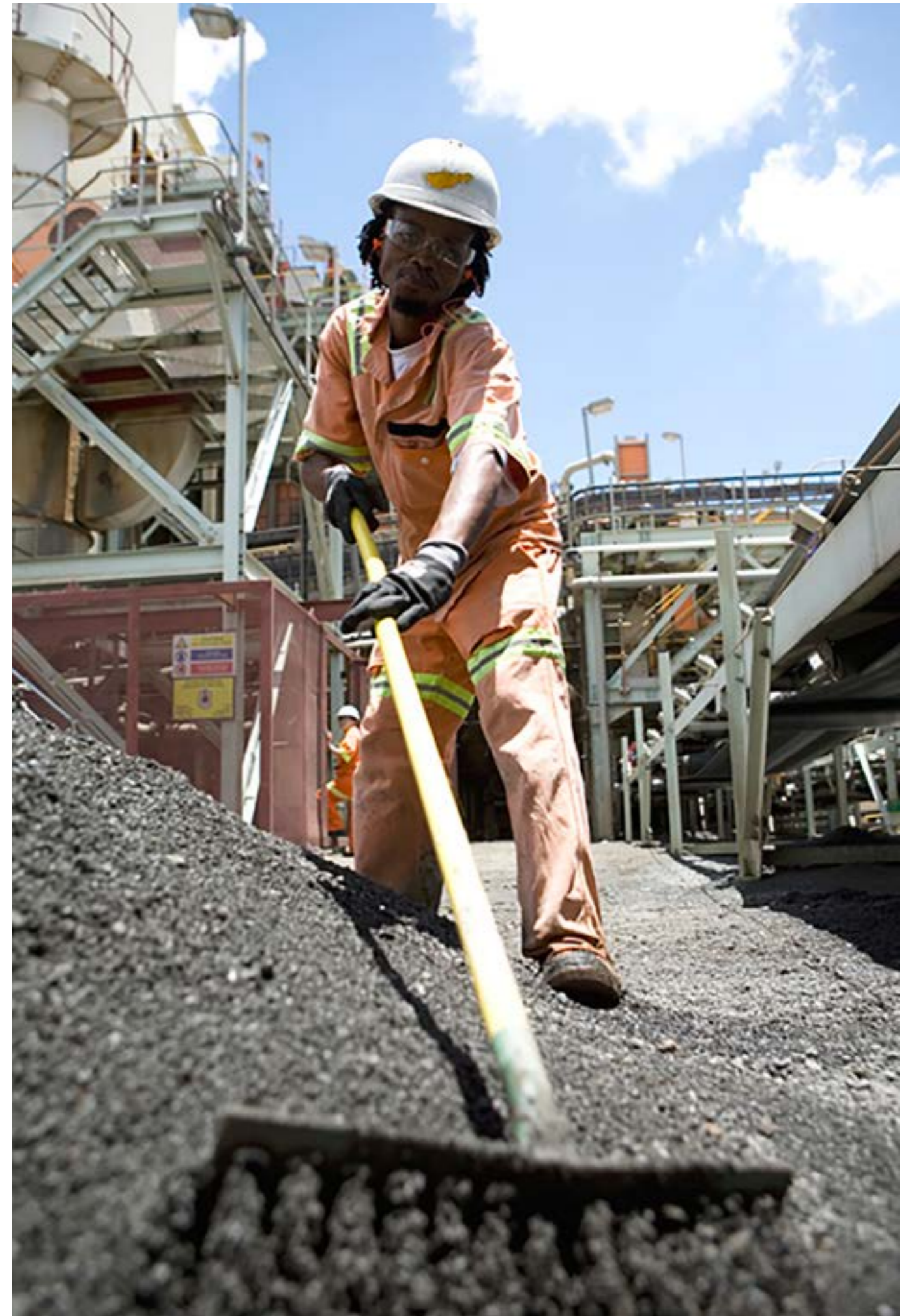
*L910750852*

**Skills Development Facilitator:**

*Dianne Naude*

**Workplace Skills Plan Submission date:**

*30 June of each year and WSP/ATR2011/2012 attached hereto as Annexure 1.*





## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

### 3.3 HARD-TO-FILL VACANCIES

The provision of quality training is not only a matter of upgrading employee skills, but forms the corner-stone of Voorspoed Mine’s future success and sustainability. The alignment of training to key business outcomes is therefore integral to DBCM’s human resources development approach. Training and development interventions will be prioritized in terms of positions regarded mission critical and high impact and which are hard-to-fill. Table 3 reflects the relationship between mission critical/high impact positions and the hard-to-fill positions at Voorspoed Mine. Form R – Depicts the Hard-to-fill vacancies as Annexure 2 .

TABLE 3: HARD-TO-FILL VACANCIES

Occupational Levels	Occupations	Reason for Scarcity and Challenges	Intervention / Learning Programme
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	Artisans in general	Shortage in market supply and organizational minimum requirements match	MQA Learnership (Artisan/ Apprentice Learnership)
Professionally qualified and experienced specialists and mid-management	Engineers	Shortage in market supply and relevant to the industry	Internship (Work Placement)
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	Shift Leads	Open pit experience, leadership quality and mobility of labour out of the country	Supervisory Development Programme

### 3.4 SKILLS DEVELOPMENT PLAN

#### 3.4.1 INTRODUCTION

The objective of DBCM Skills Development Plan is to provide quality learning and growth opportunities for people development in pursuit of individual, operational, corporate and national training and development goals. The Skills Development Plan interprets the company’s strategy into workable and standardized processes and procedures which will harness the full potential of the skills development processes operationally, centrally and nationally.

The main focus of the DBCM Skills Development Plan in respect of Voorspoed Mine is to provide an enabling environment that delivers:

- an appropriately qualified workforce;
- the opportunity to develop the potential of its employees;
- the opportunity for employees to attain self-mastery;
- the creation of a culture of continuous improvement; and
- the embedding of an organizational culture that promotes a stimulating working environment that is conducive to skills development and retention;

Form Q – Depicts the numbers and education Levels of Voorspoed Mine employees attached hereto as Annexure 3.

### 3.4.2 ABET

DBCM through its Voorspoed Mine is committed to ensure its workforce is given opportunity towards timeous, cost effective and appropriate Adult Basic Education. A total of 0 individuals participated in ABET over the last five years as a result of the Mine’s resourcing strategy. The minimum educational requirement at Voorspoed Mine is Matric / Grade 12, however the Mine deviated from its standard on an occasion to accommodate the issue of skills required for a particular role.

Table 4 reflects the current education profile of Voorspoed Mine’s employees.

TABLE 4: EMPLOYEE EDUCATION PROFILES – DECEMBER 2011

Education Levels	Male						Female						Grand Total
	A	C	I	W	FN	Total	A	C	I	W	FN	Total	
No schooling	0	0	0	0	0	0	0	0	0	0	0	0	0
Unknown	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 0/Pre-school	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 1	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 2	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 3/ABET 1	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 4	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 5/ABET 2	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 6	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 7 / ABET 3	0	0	0	0	0	0	0	0	0	0	0	0	0
Grade 8	0	1	0	0	0	1	0	0	0	0	0	0	1
Grade 9 / ABET 4	0	1	0	0	0	1	0	0	0	0	0	0	1
Grade 10 / N1	0	4	0	2	0	6	0	0	0	0	0	0	6
Grade 11 / N2	2	0	0	0	0	2	0	1	0	0	0	1	3
Grade 12 / N3	133	28	1	27	0	189	65	11	0	18	0	89	278
Diplomas / Certificates	24	2	0	11	0	37	15	2	0	4	0	21	58
1st Degrees / Higher Dip	13	4	0	7	0	24	8	1	0	3	1	13	37
Honours / Masters	1	1	1	1	0	4	3	0	0	1	0	4	8
Doctorates	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	171	41	2	48	0	264	91	15	0	21	1	128	392

### 3.4.3 LEARNERSHIP PROGRAMMES

DBCM has identified learnerships as a key route to achieving its transformation objectives. The company accordingly offers learnerships in a number of supervisory, managerial and technical disciplines. The number of learnerships is determined with reference to employee turnover, DBCM’s employment equity objectives, as well as mission critical/high impact positions which are hard-to-fill. The objectives of DBCM’s learnership programmes are the following:

- Integrate structured learning with work-place experience;
- Provide employees opportunities

to obtain National recognized qualifications;

- Facilitate diversity and transformation in the workplace;
- Bridge the gap between the current educational and labour needs.

DBCM’s learnership programme focusses on the following fields of study:

- Supervisory and Management;
- Engineering;
- Mining

#### 3.4.3.1 Supervisory and Management Development Programmes

DBCM has contracted a number of service providers to assist with the development of accredited supervisory and managerial development programmes

outlined in Table 5. In most instances supervisory and managerial learners are drawn from the workplace and developed through a combination of in-service and class room training.



## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

**TABLE 5: SUPERVISORY AND MANAGEMENT LEARNERSHIPS**

Name of programme	NQF level	Learnership programme purpose
Supervision for energized work teams	NQF Level 3	The programme aims at equipping every first-line manager with the essential knowledge and skills necessary to: Develop, lead and inspire productive workplace teams Ensure that all team members are developed to their full potential.
Energised Leadership and Management of Productivity Programme	NQF level 4/5	The qualification is intended for junior managers of small organisations, first line-managers of business units in medium and large organisations, or those aspiring to these positions. Junior managers include team leaders, supervisors, foremen and section heads. It lays the foundation for further management development. The focus of this qualification is to enable learners to develop competence in knowledge, skills, attitudes and values.
Management Development Programme	NQF 7/8	To develop the management and leadership capability of employees occupying and/or those identified to, in future occupy management and/or leadership roles. Individuals will gain knowledge and insight of their natural management and leadership styles, how to enhance their styles and successfully manage and lead teams.

The numbers of participants identified to participate in the Voorspoed Mine’s Supervisory and Managerial Learnership Programmes for the duration of this plan are reflected in Table 6.

**TABLE 6: SUPERVISORY AND MANAGEMENT DEVELOPMENT PROGRAMMES**

Programme Type	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
Supervision for energized work teams (NQF Level 3)	17	2	2	2	2	0
Energised Leadership and Management of Productivity Programme (NQF Level 4/5)	0	1	1	1	0	0
Management Development Programme (NQF Level 7/8)	8	5	0	1	1	0

### 3.4.3.2 Engineering Learnerships

A relatively large proportion of DBCM’s learnerships are focused on the development of technicians and artisans in the engineering field. The focus on engineering learnerships is due to technicians and artisans being of particular importance to DBCM and the severe National shortage of these skills. DBCM offers engineering learnerships in the following fields:

- Plater / Boilermaker
- Electrician
- Fitting and Turning
- Instrumentation Mechanician
- Millwrights
- Rigger

DBCM’s Engineering Learnerships encompasses both Section 18(1) and Section 18(2) Learners as prescribed by the Skills Development Act (SDA). Section 18(1) learners are individuals in the full-time employ of the company and

are offered an opportunity to complete a formal learnership. Section 18(2) learners are offered fix term employment for the specific purpose of completing a registered learnership. Section 18(2) learnerships provide an important mechanism for the training of new entrants to the Mining Industry.

Tables 7 and 8 reflect the number of 18(1) and 18(2) Learnerships planned for each year of the Voorspoed Mine Social and Labour Plan.

**TABLE 7: 18(1) ARTISAN / APPRENTICE LEARNERSHIPS (NATIONAL CERTIFICATES)**

Programme Type	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
Instrumentation Mechanician NQF Level 3	0	0	0	0	0	0
Fitting (Incl. Machining) –Open Cast NQF Level 3	0	0	1	0	0	1
Plater / Boilermaking –Open Cast NQF Level 3	0	0	1	0	0	1
Electrical - Open Cast NQF Level 4	0	0	1	0	0	1
Millwright NQF Level 4	0	0	0	0	0	0
Rigging Ropesman Open Cast NQF Level 3	0	1	0	0	1	0

**TABLE 8: COMMUNITY SKILLS DEVELOPMENT PROGRAMME: (18(2) ARTISAN / APPRENTICE LEARNERSHIPS)**

Programme Type	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
Instrumentation Mechanician NQF Level 3	0	1	0	0	1	0
Fitting (Incl. Machining) – Open Cast NQF Level 3	0	0	2	2	2	2
Plater / Boilermaking – Open Cast NQF Level 3	0	0	2	2	2	2
Electrical - Open Cast NQF Level 4	0	0	2	2	2	2
Rigging Ropesman Open Cast NQF Level 3	0	1	0	0	1	0

### 3.4.3.3 Mining Learnerships

Voorspoed Mine also offers learnerships in the mining discipline. The Mining Learnerships are registered with the Department of Labour and are aligned to NQF standards. The learnerships will be demand-led in that they will address

gaps identified through labour and talent reviews. The following Mining Learnerships are offered by Voorspoed Mine;  
National Certificate: Rock breaking: Surface Excavations NQF Level 3

National Certificate: Mine Overseer NQF Level 5

Table 9 reflects the estimated number of beneficiaries for the Mining and Ore Processing learnerships for each year of the plan.



## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

**TABLE 9: MINING LEARNERSHIPS**

Programme Type	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
Rock breaking Surface Excavation NQF Level 3	0	3	2	2	2	0
Mine Overseer NQF Level 5	0	2	1	0	0	0

### 3.4.3.4 Other Skills Training Programmes

Skills programmes form an important component of training and development interventions in the following occupational groups: machine operator, drivers and elementary workers. Skills programmes offered by Voorspoed Mine comply with the unit standard requirements of the National Qualifications Framework and the Mining Qualification Authority and therefore offer participants portable skills credits towards a NQF registered qualification. The Skills Programmes offered by Voorspoed Mine are outlined in Table 10.

**TABLE 10: SKILLS PROGRAMMES**

Skills Programme	Objective
Dense Medium Separation	This skills programme is aimed at persons who work or intend to work within the Dense Medium Separation section of a processing plant and who seek recognition for essential skills in this area.
Skills Programme in Crushing	This skills programme is aimed at persons who work or intend to work within the Crushing and Screening section of a processing plant and who seek recognition for essential skills in this area.
Skills Programme in Diamond Recovery	This skills programme is aimed at persons who work or intend to work within the Diamond Recovery section of a processing plant and who seek recognition for essential skills in this area.
Skills Programme in Scrubbing and Screening	This skills programme is aimed at person who work or intend to work within the Scrubbing and Screening section of a processing plant and who seek recognition for essential skills in this area.
Skills Programme in Thickening and Water Reticulation	This skills programme is aimed at persons who work or intend to work within the Water Reticulation section of a processing plant and who seek recognition for essential skills in this area.



Skills Programme is for Occupational Health and Safety Representatives	People credited with this skills programme are able to represent employees on all aspects of occupational health and safety.
The examination, making safe and declaring safe on surface mines, quarries, dumps and stockpiles	Fall of ground regulations promulgated by the Minister of Minerals and Energy requires a competent person to examine and make a workplace safe and determine that such competence will vest in a candidate having achieved the requirements of the relevant skills programme registered with the Mining Qualifications Authority.
Diamond Professional Graduate Certificate	To develop Senior Management and leadership capability of employees occupying or those identified, in future occupy management and/or leadership roles. Individuals will gain full understanding of the De Beers Business Diamond pipeline.

Table 11 reflects the estimated number of beneficiaries for the various skills programmes for each year of the plan.

**TABLE 11: SKILLS TRAINING PROGRAMME**

Programme Type	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
<b>Ore Processing:</b>						
Dense Medium Separation	0	5	8	0	5	0
Skills Programme in Crushing	0	5	0	0	0	0
Skills Programme in Diamond Recovery	0	0	5	8	5	0
Skills Programme in Scrubbing and Screening	0	8	5	0	0	0
Skills Programme in Thickening and Water Reticulation	0	8	0	5	0	0
<b>Mining:</b>						
The examination, making safe and declaring safe on surface mines, quarries, Dumps and stockpiles – Competent A	27	20	20	20	0	0
<b>Safety and Health:</b>						
Skills Programme is for Occupational Health and Safety Representatives	6	0	0	0	0	0
<b>Other:</b>						
Diamond Professional Graduate Certificate	0	0	0	0	0	0



## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

### 3.4.3.5 Unit Standard and Modular Based Training Programme

TABLE 12: UNIT STANDARD AND MODULAR BASED TRAINING PROGRAMME

Unit Standard & Modular Based Training Programme	Objective
Operate a pendant controlled overhead crane	Demonstrating an integrated practical and theoretical grounding in Crane Operations according to safe handling and maintenance practices in compliance with crane manufacturers and legislated standards.
Operate Truck Mounted cranes	A learner accredited with this standard will be able to demonstrate an integrated practical and theoretical grounding in Crane Operations according to safe handling and maintenance practices in compliance with crane manufacturers and legislated standards.
Operate Lift Trucks	A learner accredited with this standard will be able to operate lift trucks for the safe and efficient movement and stacking of freight in a variety of work, environment and take basic care of the equipment in compliance with lift truck manufacturers and legislated standards.
Operate counter-balanced lift truck	The person credited with this Unit Standard is able to operate a counter-balanced lift truck in a safe manner.
Monitor, report and make recommendations pertaining to specified requirements in terms of working at heights	People credited with this unit standard will be able to describe the requirements with regard to working at heights.
Unit Standard & Modular Based Training Programme	Objective.
Lift and move a load using mechanical lifting equipment	This unit standard will be useful to people who are required to lift and move loads not exceeding five tons.
Operating Mobile cranes	A learner accredited with this standard will be able to demonstrate an integrated practical and theoretical grounding in Crane Operations according to safe handling and maintenance practices in compliance with crane manufacturers and legislated standards.
Erect, alter/reposition and dismantle load bearing scaffolding	Learners who are assessed as competent against this unit standard will be able to erect, alter/ reposition and dismantle load bearing scaffolding under supervision.
Provide risk-based primary emergency care/first aid in the workplace	Provide risk-based primary emergency care/first aid in the workplace.





## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

The below table reflects the estimated number of beneficiaries for the afore-mentioned programmes.

**TABLE 13: UNIT STANDARD AND MODULAR TRAINING PROGRAMMES**

Type of Development Programme	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake
Operate a pendant controlled overhead crane	19	16	16	16	16
Operate Truck Mounted cranes	3	1	3	1	3
Operate Lift trucks (Telescopic Boom Handler)	14	16	16	16	16
Operate counter-balanced lift truck	7	16	16	16	16
Monitor, report and make recommendations pertaining to specified requirements in terms of working at heights	23	40	40	40	40
Lift and move a load using mechanical lifting equipment	24	24	24	24	24
Operating Mobile cranes	0	4	4	4	4
Erect, alter/reposition and dismantle load bearing scaffolding	3	4	4	4	4
Provide risk-based primary emergency care / first aid in the workplace	25	160	160	69	160

### 3.5 CAREER PROGRESSION PLAN

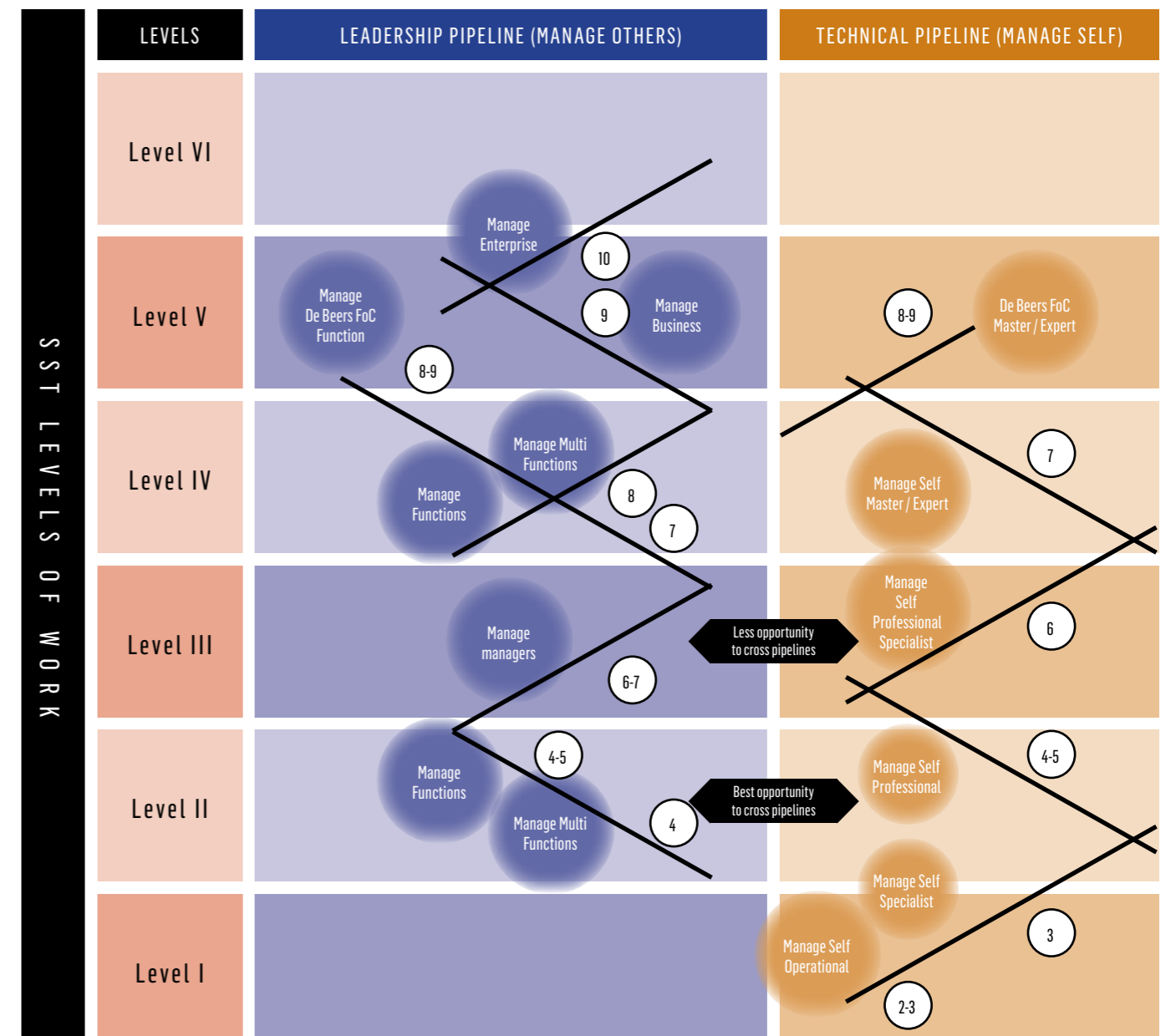
#### 3.5.1 INTRODUCTION

DBCM recognises the need for realism in career paths to sustain employee engagement and development over time. Career paths essentially maps out the successive steps and possible roles available to employees during the course of their employment with the Company. By ensuring that employees are matched with career paths that are both relevant and achievable, DBCM aims to assist employees in realizing tangible career progression and avoid setting unrealistic expectations. DBCM has accordingly

identified relevant and achievable career path opportunities and enables employees to independently pursue these opportunities. Career pathing within DBCM is regarded as a process in which responsibility must be shared by DBCM and employees alike. The onus of creating career development goals and achieving those goals falls upon the employee, while the Company's role includes support for the employee in his/her career development objectives and provision of the tools such as:

- creating awareness of possibilities and challenges;
- performance management reviews;
- assessment centres;

- assistance in meeting minimum educational qualifications;
- assistance in focusing on coaching in areas of technical deficiency;
- assistance in coaching/training in non-technical areas.





## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

A generic Job & Career Path Framework as well as discipline specific career paths has been developed to guide and standardise leadership and technical career development in DBCM. The generic Job & Career Path Framework is reflected below:

DBCM has also established discipline specific career paths for employees in the following core disciplines:

- Mining
- Engineering
- Ore Processing
- Mineral Resources Management
- Commercial Management
- Public and Corporate Affairs
- Human Resources
- Security, Safety Health and Environment

Generic as well as discipline career paths will be used to guide employees regarding potential career progression, development and output necessary to achieve the various job levels. Although all employees have the opportunity to be developed, DBCM has identified a talent pool to be fast tracked in line with its needs and the above Framework. Details of the individuals to be fast tracked are reflected in paragraph 3.5.2 below:

### 3.5.2 TALENT POOLS

Talent planning (succession) and talent pools is regarded as one of the most effective means to ensure an adequate future supply of scarce and critical skills and to achieve the objectives of this Plan. DBCM and Voorspoed Mine have created a number of talent pools aimed at accelerating the development of high potential individuals, especially from HDSA categories. This involves the development of people within the company, and is aimed at key leadership, supervisory and technical skills positions. The following talent pools exist in DBCM and Voorspoed Mine.

**Internal Succession Talent Pool (STP)**  
- Using talent pools for succession planning is one way of ensuring that Voorspoed Mine's future talent needs are met. The internal succession talent pool will assist in cultivating supervisory, leadership and technical talent through targeted individual and organizational skill development activities that are aligned with DBCM's strategic 3–5 year plan.

Voorspoed Mine has identified the following employees as part of its internal talent pool. Table 14 reflects individuals to be fast tracked for each year of the plan.

TABLE 14: TALENT POOL DEVELOPMENT PLAN

Current Position	Training Intervention	Qualification to be achieved	2012	2013	2014	2015	2016	2017
			Intake	Intake	Intake	Intake	Intake	Intake
PCA Manager	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Snr Ore Processing Manager	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
CBI Manager	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Medium Term Planner	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Mine Surveyor	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Loss Prevention Lead	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Environmental Specialist	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Practitioner – Supply Chain	Management Development Programme	Postgraduate Diploma in Management	1	1	0	0	0	0
Assistant Shift Lead to Shift Lead	Supervisory learnership	Supervision for energized work teams (NQF Level 3)	0	0	0	0	0	0
Assistant Shift Leads	Supervisory learnership	Supervision for energized work teams (NQF Level 3)	0	2	2	2	0	0
Process Expert to High Risk Lead	Supervisory learnership High Risk Training	Supervision for energized work teams (NQF Level 3) Security Leadership Development Programme	0	0	0	0	0	0
Security to Process Expert	Process Expert Training	Process Expert Risk	2	0	0	0	0	0
EIT to Engineer	Engineering in Training Programme	Government Ticket	1	0	0	0	0	0
MIT to Metallurgists	MIT Training Programme	Metallurgist	1	0	0	0	0	0



## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

### 3.6 MENTORING PLAN

#### 3.6.1 INTRODUCTION

DBCM believes that mentoring is an important process to use in the development of its people specifically in regard to the transfer of knowledge and skills. Mentorships will be prioritised towards individuals on the various

company skills programmes, including:

- Learnerships;
- Internships
- Supervisors and Management Trainees
- Individual with identified potential on a planned career path

Individuals on these programmes will be assigned mentors to facilitate their

developmental needs, the transfer of skills, knowledge and competence. Details of the number of employees who have been assigned formal mentors at Voorspoed Mine are reflected in Table 15.

TABLE 15: MENTORING PLAN

Mentee Name	Career Deliverables	Duration	Target		Gender		Mentor
			HDSA	Non-HDSA	Male	Female	
Siphiwe Buthelezi	Diamond Professional Graduate Certificate	2 yrs.	1		1		Richard Greig
Efraim van Schalkwyk	Management Development Programme	1yr.	1		1		PJ Jordaan
Josephine Pieters	Management Development Programme	1yr	1			1	Chris Botha
Tshepo Gabe	Management Development Programme	1yr	1		1		Mpumi Zikalala
Gavin Anderson	Management Development Programme	1yr		1	1		Gustav vd Linde
Fanny Tsitsi	Management Development Programme	1yr	1		1		Dinesh Bhana
Francette Jacobs	Management Development Programme	1yr	1			1	PJ Jordaan
Rubrian Coetzee	Management Development Programme	1yr	1		1		PJ Jordaan
Richard Greig	Management Development Programme	1yr		1	1		Mpumi Zikalala

Mentee Name	Career Deliverables	Duration	Target		Gender		Mentor
			HDSA	Non-HDSA	Male	Female	
Naas Labuschagne	Team Leader Learnership	18 mths		1	1		Errol Williams
Petrus Khomojong	Team Leader Learnership	18 mths	1		1		Hendrik Burger
Ayanda Rarane	Team Leader Learnership	18 mths	1		1		Russel Horak
Meshack Dirana	Team Leader Learnership	18 mths	1		1		Fanny Tsitsi
Lungile Walaza	Team Leader Learnership	18 mths	1		1		Siphiwe Buthelezi
Moses Dinku	Team Leader Learnership	18 mths	1		1		Siphiwe Buthelezi
Patrick Sehlango	Team Leader Learnership	18 mths	1		1		Russel Horak
Helen Mostert	Team Leader Learnership	18 mths	1			1	Richard Greig
Brian Mokwena	Team Leader Learnership	18 mths	1		1		Richard Greig
Eunice Serapelo	Team Leader Learnership	18 mths	1			1	Kitty Prinsloo
Leonard Bock	Team Leader Learnership	18 mths	1		1		Russel Horak
Sporo Mabani	Team Leader & Rock breaking Learnership	18 mths & 1yr	1		1		Russel Horak
Carl Marais	Team Leader & Rock breaking Learnership	18 mths & 1yr		1	1		Russel Horak
Allan Benade	Team Leader & Rock breaking Learnership	18 mths & 1yr		1	1		Russel Horak
Seth Sealanyane	Team Leader & Rock breaking Learnership	18 mths & 1yr	1		1		Russel Horak
David Putsoenyane	Team Leader Learnership and Rock breaking Learnership	18 mths & 1 yr	1		1		Russel Horak
Theresiah Monyeke	Rock breaking Learnership	1 yr	1			1	Russel Horak
Bernard Fortuin	Mine Overseer Ticket	1 yr	1		1		Russel Horak
Louis van Heerden	Mine Overseer Ticket	1 yr		1	1		Russel Horak
Daryl Botha	Mine Overseer Ticket	1 yr	1		1		Russel Horak
Moitsatse Bahedile	National Certificate: Fitting (Incl. Machining) -Open Cast Level 3	3yrs.	1			1	Maarten Cuperus
Neo Maliehe			1		1		Maarten Cuperus
Monahuwa Polasi			1			1	Maarten Cuperus
Tzeiza Taje			1			1	Maarten Cuperus
Senkie Lesole			1		1		Maarten Cuperus
Nzemeni Tshabalala			1		1		Maarten Cuperus
Vuyisile Mayekiso			1		1		Maarten Cuperus
Kokonyane Mohlamme	National Certificate: Plater/Boilermaking -Open Cast Level 3	3yrs.	1		1		Maarten Cuperus
James Seroto			1		1		Maarten Cuperus
Eddy Ntsukunyane			1		1		Maarten Cuperus
Pelo Matsabu			1		1		Maarten Cuperus
Elgin Pekeur			1		1		Maarten Cuperus
Glenda Motete	National Certificate: Electrical - Open Cast Level 4	3yrs.	1			1	Errol Williams
Sibongile Mokhobo			1			1	Maarten Cuperus
Jacob Mosia	National Certificate: Instrumentation Mechanician Level 3	3yrs	1		1		Gerhard Lombard
Alexis Monkhi	Millwright Millwright	3 yrs	1		1		Siphiwe Buthelezi
Kenny McLaren				1	1		Siphiwe Buthelezi
Lwazi Qumbisa	Metallurgist	3 yrs	1		1		Richard Greig
Tebogo Molepo	Metallurgist	3 yrs	1			1	Richard Greig
Mpho Makgaga	Metallurgist	3 yrs	1		1		Richard Greig
Andrie Coetzee	Electrical Engineer	3 yrs		1	1		Maarten Cuperus
Bongani Matoba	Electrical Engineer	3 yrs	1		1		Gustav vd Linde
Minenhle Xaba	Geotechnical Engineer	2 yrs	1			1	Phillip Tsheko
Tovhowani Tshidada	Geology		1			1	Mpumi Zikalala



## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

### 3.7 BURSARY AND INTERNSHIP PLAN

#### 3.7.1 BURSARY PLAN

Talent and knowledge management is the essential lifeblood of any organisation. It is in the best interest of any organisation to ensure that these two essential pillars in the human resources structure is maintained and optimised. Over the years, De Beers Consolidated Mines (DBCM) has implemented various initiatives to ensure a consistent flow of talent into the organisation.

With the emphasis in South Africa on job creation and experiential training for young professionals, DBCM has weighted its development approach towards graduate trainees (internships) with particular emphasis on technical professions and Women in Mining.

Where a shortage of young graduates with technical skills has been identified in specific labour sending areas, DBCM augments its development programmes with the De Beers Bursary Scheme.

The bursary scheme targets three key areas: - Mechanical and Electrical

Engineering, Metallurgy and Mining. These target areas are reflective of the direction pursued by The Mining Charter. Over the years the EE profile of the bursary scheme has evolved to reflect 100% EE and 100% females. This was done through targeted selection and includes students from the communities surrounding De Beers' mining operations.

The number of bursars in the scheme has been determined based upon Voorspoed Mine's business plan the number of graduate interns identified from labour sending areas and the need to achieve the Company's transformation objectives.

The table below reflects the number of bursars Voorspoed Mine plans to have in the system per technical discipline for each year of the plan:

Discipline	2013	2014	2015	2016	2017
Engineering	1	1	1	1	1
Metallurgy	1	1	1	1	1
Mining	1	1	1	1	1

#### 3.7.1 INTERNSHIP PLAN

DBCM offers practical training to students in terms of vacation work and experiential training. Graduate

trainees are also accommodated through postgraduate training with each professional-in-training being assigned a mentor. Although the graduate trainees are employed by DBCM, they are trained at different operations and an average of graduate interns is assigned to Voorspoed Mine annually.

DBCM offers Graduate Training Programs in Geology, Electrical Engineering, Human Resources, Information Technology, Mechanical Engineering, Survey, and Environmental Engineering.





## SECTION 3

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

Details of Voorspoed Mine’s intern allocations for 2012 – 2017 are reflected in Tables 16 below:

**TABLE 16: INTERNSHIP PLAN**

Internship	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
Engineering Programme	1	1	1	1	1	1
Metallurgy Programme	1	1	1	1	1	1
Geology Programme	1	0	0	1	1	1
Open Pit Geotechnical Engineer Programme	1	0	0	1	0	1
Mining Engineers Programme	0	2	0	0	2	0
Crane Driver Programme	0	1	1	1	1	1
DoPW: Electrical Learnership	0	0	0	0	0	0
DoPW: Boilermaking	0	0	0	0	0	0
Human Resources	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0

Note: DoPW – Department of Public Works learners placed at the operation for on-the-job exposure to qualify for their respective learnerships

### 3.7.2 SELF-STUDY SCHEME

In-service training forms an important component of Voorspoed Mine’s Skills Development Programme. In-service training incorporates a large variety of training methods, including structured courses, seminars and on-the-job training. In-service training covers a wide array of skills areas and is needs

driven and linked strategically to Voorspoed Mine’s objectives. E-learning is also an important part of DBCM’s training delivery approach and implemented across the organisation. A key component of Voorspoed Mine’s in-service training is the DBCM self-study scheme. This scheme offers financial assistance to all permanent

employees for part-time courses of study leading to any approved qualification, provided the proposed studies falls within the relevant mine business disciplines. The self-study scheme offers employees opportunities to further their development in line with personal and organizational goals.



Table 17 reflects the average number of recipients that benefits from the self-study scheme per year.

**TABLE 17: STUDY ASSISTANCE SCHEME**

Study Field	Number
Supply Chain	3
Security Management	3
Safety Management	6
Communications	1
Financial	1
Mining	1
Engineering – Electrical	2
Engineering – Mechanical	1
Operations Management	4
Law	1
Technology Management	1
Commerce	1

### 3.7.3 FINANCIAL ASSISTANCE SCHEME

De Beers provides financial assistance to school leaving learners to assist them with registration fees, books and initial commence of studies at any Tertiary institution in South Africa. This is not a bursary scheme and learners are not expected to pay back any amounts. Selection of learner is based on those studying towards technical fields such

as Engineering, Accounting and Matric results.

De Beers advertises on an annual basis internally and with the local municipalities, who assist with communicating with the communities. The amounts for the financial assistance ranges between R10 000 – R25 000 and De Beers targets learners and employees children from the community in which the mine operates.

**TABLE 18: FINANCIAL ASSISTANCE SCHEME STUDENTS FOR 2012 - 2017**

Financial Assistance Scheme	2012	2013	2014	2015	2016	2017
	Intake	Intake	Intake	Intake	Intake	Intake
	16	10	10	10	10	10



## SECTION 4

# EMPLOYMENT EQUITY PLAN

### 4.1 INTRODUCTION

DBCM is committed to the socio-economic transformation of South Africa and aspires to employ a demographically representative workforce. DBCM accordingly supports the intent and principles underlying the Mineral and Petroleum Resources Development Act (MPRDA) and the Employment Equity Act, No. 59 of 1998 (“EEA”). DBCM, through its commitment to Employment Equity, will therefore continually strive towards:

- Eliminating unfair discrimination;
- Promoting a broadly representative workforce;

- Redressing imbalances caused by past practices of unfair discrimination;
- Ensuring fair equality of opportunity for all;
- Managing diversity for the long-term benefit of the organisation and its employees;
- Ensuring compliance with the MPRDA and the EEA; and
- Valuing the contribution made by all employees.

Giving effect to these commitments require the development and implementation of a roadmap that embodies timeframes, goals and positive measures through which

DBCM’s Employment Equity objectives can be achieved. DBCM has accordingly developed a three year EE plan not only to comply with its statutory obligation in terms of the MPRDA and the EEA, but also seeks to address the Company’s strategic objectives by accessing a broader skills base. This plan covers the period 2012–2014. Following the expiry of this plan, a subsequent plan will be developed and submitted which will be aligned with Voorspoed mines Social and Labour Plan period.

### 4.2 OBJECTIVES TO BE ACHIEVED FOR EACH YEAR OF THE PLAN

Specific objectives have been set for each year of the plan to ensure reasonable progress towards a representative workforce.

The narrative objectives are reflected below.

Timeframe	Objective	Who
2011 - 2012	Eliminate all barriers to employment equity by improving the efficiency of the EE Policy Committee	EE Policy Committee
	Preferential treatment of suitably qualified employees from designated groups, with appointment and promotions.	HR Managers
	Achievement of numerical targets for each year of the plan	DBCM Head: HR
	Retain critical skills and designated employees to achieve DBCM’s strategic objectives	DBCM Head: HR
	Fast track employees from designated groups by implementing appropriate skills training measures (coaching/mentoring)	HRD Practitioner OD
	Improve DBCM’S disability profile through targeted recruitment and workplace accommodation.	Snr. HR Practitioner projects

2012-2013	Preferential treatment of suitably qualified employees from designated groups, with appointment and promotions	HR Managers
	Achievement of numerical targets for each year of the plan	DBCM Head: HR
	Retain critical skills and designated employees to achieve DBCM’s strategic objectives	DBCM Head: HR
	Fast track employees from designated groups by implementing appropriate skills training measures (coaching/mentoring)	HRD Practitioner- OD
	Improving the number of females through internal learnerships and skills programmes	Snr. HR Manager Voorspoed Mine
	Improve DBCM’S disability profile through targeted recruitment and workplace accommodation	Snr. HR Practitioner Projects
2013-2014	Preferential treatment of suitably qualified employees from designated groups, with appointments and promotions.	HR Managers
	Achievement of numerical targets for each year of the plan	DBCM Head: HR
	Retain critical skills and designated employees to achieve DBCM’s strategic objectives	DBCM Head: HR
	Fast track employees from designated groups by implementing appropriate skills training measures (coaching/mentoring)	HRD Practitioner OD
	Improving the number of females through internal learnerships and skills programmes	Snr. HR Manager Voorspoed Mine
	Improve DBCM’S disability profile through targeted recruitment and workplace accommodation	Snr. HR Practitioner Projects

### 4.3 WORKPLACE BARRIERS AND AFFIRMATIVE ACTION MEASURES

In accordance with the requirements of the EEA, an analysis of the employment equity policies, procedures and the working environment was conducted at Voorspoed Mine in order to identify employment barriers which adversely affect people from designated groups. The workplace analysis for Voorspoed Mine is reflected in Table 19.

TABLE 19: VOORSPOED MINE’S EMPLOYMENT EQUITY BARRIERS AND AFFIRMATIVE ACTION MEASURES

Categories	Barriers (Narration)	Affirmative action measures (narration)
Recruitment Procedures	<ul style="list-style-type: none"> <li>• Non recommendation rate of females due to medicals &amp; physical ability assessments</li> <li>• Lack of white people especially females within the lower level of front line, Security and Artisan</li> <li>• Lack of people in the designated areas in technical positions</li> <li>• Lack of Africans in the SAP Administrator positions</li> </ul>	<ul style="list-style-type: none"> <li>• Review and give solutions to problem</li> <li>• 2 &amp; 3. Advertising strategy review and explore head-hunting through Adfusion for technical position &amp; identify means to penetrate local market (including people with disabilities)</li> </ul>
Advertising positions	<ul style="list-style-type: none"> <li>• Secure access to advertisements</li> </ul>	<ul style="list-style-type: none"> <li>• Adverts to be placed at Mine entrance noticeboards and Checkers office</li> <li>• Explore local media advertising</li> <li>• Alternative medium to reach potential candidates in remote labour sending areas</li> </ul>
Appointments	<ul style="list-style-type: none"> <li>• Experience vs Minimum entry level</li> <li>• Current existing experience operators overlooked for internal appointments</li> </ul>	<ul style="list-style-type: none"> <li>• Develop applicable training programmes</li> </ul>
Remuneration and benefits	<ul style="list-style-type: none"> <li>• Remuneration vs. Competency and Delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate current job requirements vs. remuneration and delivery</li> </ul>
Terms and conditions of employment	<ul style="list-style-type: none"> <li>• Alignment of contracts of employment with respective programmes, e.g. Engineering, Mining and Metallurgy</li> </ul>	<ul style="list-style-type: none"> <li>• Review current conditions of employment</li> </ul>
Work environment and facilities	<ul style="list-style-type: none"> <li>• No process in place to facilitate home ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Central forum intervention</li> </ul>
Training and development	<ul style="list-style-type: none"> <li>• Development programmes not adequate at present</li> </ul>	<ul style="list-style-type: none"> <li>• Current development programmes needs to be evaluated and where not available to be developed</li> </ul>
Performance and evaluation	<ul style="list-style-type: none"> <li>• No barriers</li> </ul>	<ul style="list-style-type: none"> <li>• Parties agreed to develop performance related training programmes</li> </ul>
Succession & experience planning	<ul style="list-style-type: none"> <li>• Lack of measures, e.g. coaches and mentors to ensure identified successors are ready to assume substantive positions when the time comes</li> </ul>	<ul style="list-style-type: none"> <li>• Identify all business critical positions and explore options to eliminate risks posed by losing the current incumbents</li> </ul>
Retention of designated groups	<ul style="list-style-type: none"> <li>• In technical related positions especially due to the supply and quality shortage</li> </ul>	<ul style="list-style-type: none"> <li>• DBCM Central guidance</li> </ul>



## SECTION 4

# EMPLOYMENT EQUITY PLAN

## 4.4 EMPLOYMENT EQUITY PROFILE AND GOALS

To determine the degree of under-representation of people from designated groups in various occupational categories and levels, Voorspoed Mine conducted a workplace profile analysis comparing its diversity profile against the economic active population of South Africa and the Region in which it operates. Table 20 represents the current employment equity staff profile according to gender and race at Voorspoed Mine as at December 2011.

TABLE 20: VOORSPOED MINE WORKFORCE AS AT DECEMBER 2011

Occupational Levels	Male					Female					Total	Disabled	
	A	C	I	W	FN	A	C	I	W	FN		Male	Female
Top Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	4	0	1	0	0	0	0	6	0	0
Professionally qualified and experienced specialists and mid-management	8	4	0	11	0	3	0	0	2	1	29	1	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	38	16	0	25	0	12	7	0	16	0	114	1	0
Semi-skilled and discretionary decision making	104	18	1	8	0	55	3	0	2	0	196	1	0
Unskilled and defined decision making	23	3	0	0	0	20	1	0	0	0	47	1	3
<b>Total Permanent</b>	<b>173</b>	<b>41</b>	<b>2</b>	<b>48</b>	<b>0</b>	<b>91</b>	<b>15</b>	<b>0</b>	<b>21</b>	<b>1</b>	<b>392</b>	<b>4</b>	<b>3</b>
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>173</b>	<b>41</b>	<b>2</b>	<b>48</b>	<b>0</b>	<b>91</b>	<b>15</b>	<b>0</b>	<b>21</b>	<b>1</b>	<b>392</b>	<b>4</b>	<b>3</b>

The Employment Equity Act requires that a designated employer must, as part of its Employment Equity Plan, determine numerical goals and targets to achieve equitable representation of suitably qualified people from all designated groups (including persons with

disabilities) within each occupational category of the workforce. The targets will form the framework for implementation of this plan. Voorspoed Mine has made a policy decision to set goals at two levels:

- National economic active demographics taken into account at Top

Management, Senior Management and Professionally qualified levels.

- Regional economic active demographics taken into account at Skilled Technical, Semi-skilled and Unskilled levels.

Table 21 reflects the employment equity goals Voorspoed Mine will endeavour to achieve at the end of its current Employment Equity Plan.

TABLE 21: VOORSPOED MINE'S WORKFORCE PROFILE AS AT DECEMBER 2012

Occupational Levels	Male					Female					Total	Disabled	
	A	C	I	W	FN	A	C	I	W	FN		Male	Female
Top Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	1	4	0	1	0	0	0	0	7	0	0
Professionally qualified and experienced specialists and mid-management	9	4	0	16	1	4	0	0	2	0	36	1	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	52	22	0	28	0	11	6	0	15	0	135	0	0
Semi-skilled and discretionary decision making	150	27	1	11	0	83	9	0	4	0	285	3	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Permanent</b>	<b>211</b>	<b>54</b>	<b>2</b>	<b>59</b>	<b>0</b>	<b>99</b>	<b>15</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>463</b>	<b>4</b>	<b>3</b>
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>211</b>	<b>54</b>	<b>2</b>	<b>59</b>	<b>0</b>	<b>99</b>	<b>15</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>463</b>	<b>4</b>	<b>3</b>

TABLE 22: VOORSPOED MINE'S WORKFORCE PROFILE AS AT DECEMBER 2013

Occupational Levels	Male					Female					Total	Disabled	
	A	C	I	W	FN	A	C	I	W	FN		Male	Female
Top Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	1	4	0	1	0	0	0	0	7	0	0
Professionally qualified and experienced specialists and mid-management	9	4	0	16	1	4	0	0	2	0	36	1	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	53	22	0	28	0	11	6	0	14	0	135	0	0
Semi-skilled and discretionary decision making	150	27	1	11	0	83	9	0	4	0	285	3	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Permanent</b>	<b>212</b>	<b>54</b>	<b>2</b>	<b>59</b>	<b>0</b>	<b>99</b>	<b>15</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>463</b>	<b>4</b>	<b>3</b>
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>212</b>	<b>54</b>	<b>2</b>	<b>59</b>	<b>0</b>	<b>99</b>	<b>15</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>463</b>	<b>4</b>	<b>3</b>



## SECTION 4

# EMPLOYMENT EQUITY PLAN

TABLE 23: VOORSPOED MINE'S WORKFORCE PROFILE AS AT SEPTEMBER 2014

Occupational Levels	Male					Female					Total	Disabled	
	A	C	I	W	FN	A	C	I	W	FN		Male	Female
Top Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	1	4	0	1	0	0	0	0	7	0	0
Professionally qualified and experienced specialists and mid-management	9	4	0	16	1	4	0	0	2	0	36	1	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	54	22	0	28	0	11	6	0	14	0	135	0	0
Semi-skilled and discretionary decision making	150	27	1	11	0	83	9	0	4	0	285	3	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	213	54	2	59	0	99	15	0	20	0	463	4	3
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	213	54	2	59	0	99	15	0	20	0	463	4	3

## 4.5 MINING CHARTER EMPLOYMENT EQUITY PROFILES AND GOALS

Recognising that transformation within the mining industry remains a national imperative Voorspoed Mine is fully committed to ensure diversity as well as participation of HDSA's at all decision-

making positions. Voorspoed Mine firmly believes that diversity is an organisational strength.

By end 2011, 56% of total management at Voorspoed Mine were categorised as being HDSA. This is compared with the Mining Charter target of having 40% of management being HDSA.

Over the past 5 years Voorspoed Mine has engaged in various measures to integrate women into its core mining production activities. At present women in core positions represent 28% of Voorspoed Mine's total workforce.

In line with DBCM's commitment of meeting the Mining Charter targets at each level of management the following quantitative targets has been set for each year of the plan.

TABLE 24: HDSA IN MANAGEMENT

Year	Occupational Category	Male					Female					Total	HDSA %
		A	C	I	W	FN	A	C	I	W	FN		
2012	Top Management	0	0	0	0	0	0	0	0	0	0	0	0
	Senior Management	1	1	1	5	0	2	0	0	0	0	10	50
	Middle Management	8	4	0	16	0	3	0	0	2	1	34	44
	Junior Management	16	15	0	11	0	2	3	0	5	0	52	69
2013	Top Management	0	0	0	0	0	0	0	0	0	0	0	0
	Senior Management	1	1	1	5	0	2	0	0	0	0	10	50
	Middle Management	8	4	0	16	0	3	0	0	2	1	34	44
	Junior Management	16	15	0	11	0	2	3	0	5	0	52	69
2014	Top Management	0	0	0	0	0	0	0	0	0	0	0	0
	Senior Management	1	1	1	5	0	2	0	0	0	0	10	50
	Middle Management	8	4	0	16	0	3	0	0	2	1	34	44
	Junior Management	16	15	0	11	0	2	3	0	5	0	52	69
2015	Top Management	0	0	0	0	0	0	0	0	0	0	9	33
	Senior Management	1	1	1	5	0	2	0	0	0	0	10	50
	Middle Management	8	4	0	16	0	3	0	0	2	1	34	44
	Junior Management	16	15	0	11	0	2	3	0	5	0	52	69
2016	Top Management	0	0	0	0	0	0	0	0	0	0	9	0
	Senior Management	1	1	1	5	0	2	0	0	0	0	10	50
	Middle Management	8	4	0	16	0	3	0	0	2	1	34	44
	Junior Management	16	15	0	11	0	2	3	0	5	0	52	69
2017	Top Management	0	0	0	0	0	0	0	0	0	0	0	0
	Senior Management	1	1	1	5	0	2	0	0	0	0	10	50
	Middle Management	8	4	0	16	0	3	0	0	2	1	34	44
	Junior Management	16	15	0	11	0	2	3	0	5	0	52	69

Table 25: Core and Critical Skills

Year	Occupational Category	Male					Female					Total	HDSA %
		A	C	I	W	FN	A	C	I	W	FN		
2012	Core Skills	190	41	1	49	1	79	11	0	11	0	383	84
2013	Core Skills	191	41	1	48	1	79	11	0	11	0	383	84
2014	Core Skills	191	41	1	48	1	79	11	0	11	0	383	84
2015	Core Skills	191	41	1	48	1	79	11	0	11	0	383	84
2016	Core Skills	191	41	1	48	1	79	11	0	11	0	383	84
2017	Core Skills	191	41	1	48	1	79	11	0	11	0	383	84



## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME

### 5.1 INTRODUCTION

The Mine Community Development Programme for Voorspoed Mine is based on DBCM's Community Development strategy and the Voorspoed Mine Socio-Economic Assessment (SEAT 2011) and the Social Impact Assessment (Shangoni Management Services: January 2010). The Socio-Economic Assessments focused on the possible impacts that Voorspoed Mine would have on the communities of

Fezile Dabi District Municipality, and more specifically the two host municipal areas, Moqhaka and Ngwathe Local Municipalities.

This Community Development Programme, which is integrated with the Integrated Development Plans (IDPs) of Moqhaka and Ngwathe Local Municipalities, will demonstrate commitment to the sustainable upliftment of these communities.

FIGURE 2: AREA MAP



The legacy for Voorspoed Mine will stretch over and above the direct economic benefits that the mine will bring to the region. This process will result in Voorspoed Mine becoming fully integrated within the local communities and being seen as a partner in poverty alleviation and job creation.

### 5.2 STAKEHOLDER ENGAGEMENT

Voorspoed Mine has built a sound working relationship with the Local Moqhaka and Ngwathe Municipalities as well as the Fezile Dabi District Municipality and Free State Provincial Government through partnerships in community based initiatives, and more specifically in the area of education and enterprise development, such as the "Voorspoed Small Business Development Hub".

During the SIA conducted during 2010 and subsequent SEAT engagements, various stakeholders were engaged in identifying impacts regarding Voorspoed Mine's activities as well as the identification of potential areas for community development and poverty alleviation. The projects that are listed in this Mine Community Development Programme are as a consequence of these engagements and are directly linked to the Integrated Development Plans (IDP's) of the Moqhaka and Ngwathe Municipalities. The engagement has been comprehensive and letters of support in terms of Voorspoed Mine's Mine Community Development Programme from the Moqhaka and Ngwathe Municipalities are attached as Annexure 4.

Voorspoed Mine will continue its involvement in local IDP processes, as well as in relevant development structures or forums which may be established in the broader area. This will be achieved through aligning Voorspoed Mine's Community Development projects into the IDP's of the local authorities concerned.

### 5.3 SOCIO-ECONOMIC BACKGROUND

#### 5.3.1 INTRODUCTION

The Socio-Economic Impact Assessment (SIA) that was conducted in January 2010 highlighted the socio-economic development challenges that are faced in the local communities. This section focuses on the historical, socio-economic and institutional aspects of the local authorities in relation to Voorspoed Mine. This information continues to assist Voorspoed Mine in making informed decisions concerning its role as a good corporate citizen and in particular live up to the spirit and intent of Voorspoed Mine's Mine Community Development Programme. Voorspoed Mine has embarked on a Socio-Economic Assessment process (SEAT) which will further highlight community issues and needs, and guide the community development programmes.

Voorspoed Mine is located within the Ngwathe Local Municipality. This is the area of immediate relevance to the project and in particular the Koppies community as this is where the mine's water is sourced.

However, the mine is also close to the border of the Moqhaka Municipality. It is important to profile both the Moqhaka and Ngwathe Local Municipalities within the Mine Community Development Programme for two reasons: firstly, the farms which border on the proposed mine to the west are situated within the Moqhaka Local Municipality; secondly, the town of Kroonstad, the nearest major urban centre and a significant source of labour and support services to the mine, is also located within the Moqhaka Local Municipality.

#### 5.3.2 BACKGROUND

Fezile Dabi District Municipality is situated within the northern portion of the Free State Province and is the second largest District Municipality.

The area of jurisdiction of Fezile Dabi District covers five local municipalities, namely, Moqhaka, Ngwathe, Metsimaholo, Lejweleputswa and Mafube.

The district is home to about 17.3% of the population in the province and the area is considered to be a strategic agricultural region, producing a considerable share of South Africa's grain production. The district is the only area in the province where manufacturing is the main contributing sector to the district's economy.

The following sectors contribute to the economy of Fezile Dabi:

- Manufacturing
- Community Services
- Finance Sector

The district's economy is very concentrated, especially in the manufacturing sector, and thus very vulnerable to external economic fluctuations. Fezile Dabi accounted for 69,3% of the exports from the Free State and the location of SASOL is greatly significant in this context.

#### 5.3.3 POPULATION

##### 5.3.3.1 Size and Distribution

The Fezile Dabi population makes up 17% of the total population of the Free State Province. The majority of the population in the district is situated in Moqhaka Local Municipality, followed by Ngwathe Municipality. According to the Community Survey of 2007 Ngwathe Local Municipality had the highest decrease of 25%. As from 2010 Fezile Dabi population is 500 996, Moqhaka 167 892 – and Ngwathe 122 099.



## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME

Municipality	2001	2007	% Change
Fezile Dabi District	500 996	474 089	2.9%
Moqhaka Local Municipality	167 892	170 522	1.6%
Ngwathe Local Municipality	122 099	95 187	-25%

(Source: Census 2001 and Community Services 2007)

### 5.3.3.2 Gender

	Moqhaka %	Ngwathe %
Male	51.6%	47.4%
Female	48.4%	52.5%

(Source: Fezile Dabi Municipality Spatial Development Framework 2011 - 2012)

### 5.3.3.3 Race

Of the population in the area, Africans represents the majority of the population with 82% in Fezile Dabi, 84% in both Moqhaka and Ngwathe local municipal areas. This is followed by the White population representing about 15% of the total population in the three municipal areas.

	Fezile Dabi	Moqhaka	Ngwathe
African	387 477	143 232	100 164
Coloured	9 709	5 460	3 910
Indian	318	101	131
White	74 632	21 090	17 893
Other	1 983	669	0
Total	474 089	170 552	122 099

## 5.3.4 EDUCATION AND LANGUAGE

### 5.3.4.1 Education Levels

The education profiles of all three areas are similar. The group with primary and secondary levels are the highest with educational levels between 34% - 37% at primary level and 25% - 26% at secondary level of the adult population. This is followed by the group that can be described as being functionally literate and numerate and represents about 17% of the adult population.

	Fezile Dabi	Moqhaka	Ngwathe
Primary	155 028	62 502	34 827
Secondary	116 606	45 086	20 072
Matric	36 812	12 765	8 342
Tertiary	13 815	4 326	2 971
Other	3 076	1 960	450
Unspecified	12 125	3 908	2 414
None	70 255	24 656	14 688
Total	407 717	155 202	83 765

### 5.3.4.2 Languages

Sesotho, Afrikaans and IsiXhosa are the most dominant languages in Fezile Dabi District and Moqhaka and Ngwathe Local Municipal areas.

	Fezile Dabi	Moqhaka	Ngwathe
Sesotho	312 962	124 042	80 072
Afrikaans	62 430	22 181	20 949
IsiXhosa	34 888	11 168	10 314
IsiZulu	31 229	3 321	7 016
Setswana	6 121	3 270	1 093
English	4 749	1 277	940
Other (Siswati, Tshivenda, XiTsonga, Sepedi, Isindebele)	21 710	5 263	1 715
Total	474 089	170 522	122 099

### 5.3.4.2 Schools

Type of School	Fezile Dabi	Moqhaka	Ngwathe
ECD Centres (Farm schools)	98	38	33
Primary Schools	171	29	28
Secondary / High Schools	48	23	16
Total	317	90	77

## 5.3.5 HOUSING

### 5.3.5.1 Household Sizes

The average household in Fezile Dabi District declined from 3.7 persons in 2001 to 3.1 persons in 2007. The number of households in the district increased from 120 544 to 149 095 over the same period. The average household in Moqhaka Municipality declined from 3.8 persons in 2001 to 2.7 persons in 2007 and the number of households increased from 41 514 to 64 898 over the same period. The average household in Ngwathe Municipality declined from 3.6 persons in 2001 to 2.9 persons in 2007 and the number of households in the district increased marginally from 32 108 to 32 872 over the same period.

	Populations	Number of Households	Average Household Size
Fezile Dabi District	474 089	149 095	3.2
Moqhaka Local Municipality	170 522	64 898	2.6
Ngwathe Local Municipality	122 099	36 272	2.9



## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME



### 5.3.5.2 Type of Housing (%)

The proportion of households living in formal dwellings in the Fezile Dabi District has decreased from 72.1% (2001) to 66.1% (2007). The proportion of households living in formal dwellings in Moqhaka Municipality is 82% and Ngwathe Municipality 77%, compared to the district average of (66.1%) and the provincial average (71%).

	% Formal Dwellings	% Informal Dwellings
Fezile Dabi District	66.1%	16.3%
Moqhaka Local Municipality	52.2%	10.1%
Ngwathe Local Municipality	77.0%	21.5%

### 5.3.5.3 Household Tenure Status (%)

In the Fezile Dabi District the proportion of households who own and had fully paid their dwellings increased from 44.3% in 2001 to 46.4% in 2007. In Moqhaka Municipality, the proportion of households who own and had fully paid their dwellings decreased from 44.6% in 2001 to 31.1% in 2007 and in Ngwathe Municipality, the proportion of households who own and had fully paid their dwellings increased from 55.8% in 2001 to 60.9% in 2007.

	Owned and Fully Paid	Owned But not yet paid off	Rent	Occupied Rent free	Other
Fezile Dabi District	46%	9%	31%	13%	1%
Moqhaka Local Municipality	31%	5%	50%	13%	1%
Ngwathe Local Municipality	61%	11%	16%	11%	1%

## 5.3.6 MUNICIPAL BASIC SERVICES

### 5.3.6.1 Access to Bulk Services (%)

The Community Survey of 2007 indicates that 91.4% of the households in Fezile Dabi District have access to electricity. Moqhaka Municipality has the highest percentage of households with access to electricity (94.7%) in the district and Ngwathe Municipality at 91.6%.

	Fezile Dabi	Moqhaka	Ngwathe
Electricity	91.4%	94.7%	91.6%
Water	97.1%	97.0%	95.0%
Sanitation	94.2%	96.8%	84.7%
Refuse Removal	90.3%	90.6%	85.8%

### 5.3.6.2 Use of Electricity

The Community Survey of 2007 indicates that 91.4% of the households in Fezile Dabi District have access to electricity. Moqhaka Municipality has the highest percentage of households with access to electricity (94.7%) in the district and Ngwathe Municipality at 91.6%.

	Fezile Dabi	Moqhaka	Ngwathe
% Using electricity for lighting	91.4%	94.7%	91.6%
% Using electricity for cooking	85.9%	88.4%	86.7%
% Using electricity for heating	69.7%	70.9%	78.9%

### 5.3.6.3 Access to Water

	Fezile Dabi	Moqhaka	Ngwathe
Piped water inside dwelling	46.4%	32.8%	44.0%
Piped water inside yard	46.1%	62.0%	47.4%
Piped water from outside the yard	4.7%	2.3%	3.3%
Other Source	2.8%	2.9%	5.3%

### 5.3.6.4 Sanitation

Sanitation Sources	Fezile Dabi	Moqhaka	Ngwathe
Flush toilets connected to sewerage system	79.8%	83.9%	60.8%
Bucket latrine	4.4%	2.1%	13.5%
Pit latrine (Not ventilated)	8.7%	9.8%	8.9%
No Toilet	1.3%	1.0%	1.5%



## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME

### 5.4 KEY ECONOMIC ACTIVITIES - EMPLOYMENT

The average unemployment rate in 2007 within Fezile Dabi District Municipality was 33.6%, in comparison with the 41.3% of the Free State Province. The Ngwathe Local Municipality has a high unemployment rate with some 23% of the population classified as unemployed, while in Moqhaka 17% were classified as unemployed (Table 26). This means that in total some 70% of the potentially economically active population of Ngwathe and some 62% of the population of Moqhaka are not in any sort of formal employment. While some of these people will have alternative sources of income, for example in the informal sector, seasonal farming and through government welfare grants, this is still likely to be insecure and indicates severe economic problems within the region.

TABLE 26: EMPLOYMENT STATUS IN MOQHAKA AND NGWATHE MUNICIPALITIES

Category	Moqhaka		Ngwathe	
	Number	%	Number	%
Employed	59 707	52%	22 446	37%
Unemployed	19 170	17%	13 786	23%
Not economically active	36 581	32%	24 867	41%
Total	115 458		61 099	

Source: Social Impact Assessment, 2010

As indicated in Table 27, Manufacturing is the largest economic contributor in Fezile Dabi District.

TABLE 27: SECTORAL ECONOMIC CONTRIBUTION IN FEZILE DABI DISTRICT

Sector	Fezile Dabi %	Free State %
Agriculture, hunting, forestry and fishing	0.5%	20.1%
Mining and quarrying	1.3%	9.1%
Manufacturing	38.2%	6.9%
Electricity, gas and water supply	3.1%	1.8%
Construction	3.9%	2.2%
Trade	15.2%	10.6%
Transport, storage and communication	7.1%	3.7%
Financial, insurance, real estate and business services	11.6%	5.0%
Community, social and personal services	19.2%	24.7%

Source: Fezile Dabi District Municipality Development Framework 2011 – 2012 and Stats SA Community Survey 2007





## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME

### HOUSEHOLD INCOME

Given the high rate of unemployment and the large number of non-economically active people in these two areas it is not surprising to see very low levels of household income

(Table 28). Some 15% of all households have no formal income at all while a further 12% earn less than R18 000 per annum (less than R900 per month).

Household income levels are higher in

Moqhaka than in Ngwathe, with 15% of households having no income and 1.3% earning more than R132 000 in Moqhaka, compared to 16% with no income and less than 1% earning over R132 000 in Ngwathe.

TABLE 28: HOUSEHOLD INCOME

Levels	Moqhaka	Ngwathe
None	2 814	3 010
Under R18 000	22 104	18 573
R18001 – R72000	7 595	5 076
R72001 – R132000	1 506	795
Over R132000	516	412
Not applicable	76	38
Unspecified	2 940	1 709
Total	37 551	29 613

### 5.5 SOCIAL IMPACTS

Infrastructure and Poverty Eradication Projects.

If one considers the results of the SEIA for Voorspoed Mine as well as the IDPs of Moqhaka and Ngwathe Local Municipalities, it is clear that the Community Development priorities needs are in the following areas:

- Provision and access to basic services

- HDSA SMME development and job creation
- Educational support and upliftment

After further liaison with the local authorities from both municipal areas, it has become clear that their current plans to provide basic services to the communities and in particular the provision of water and sanitation, is in an advanced stage. The above projects are fully funded by the Municipalities.

As such, both municipalities indicated that financial provision and support for such projects by Voorspoed Mine was not required. They however, indicated the clear need in the following areas:

- SMME Development in both municipal areas
- Educational support in both municipal areas
- Infrastructure at Rural Schools in both municipal areas



### 5.6 COMMUNITY NEEDS

The Community Development projects that are proposed for Voorspoed Mine, and will cover the period 2012 to 2017, will now be focused in the below mentioned areas.

TABLE 29: COMMUNITY DEVELOPMENT NEEDS

Type of Need	Developmental Focus	Project	Municipality
Lack of Maths and Science capacity in the schools	Education	Education and Upliftment Support	Moqhaka and Ngwathe
Employment or livelihood activities	Job Creation	Small Business Development	Moqhaka and Ngwathe
Lack of adequate infrastructure	Education	Rural Schools Upgrading	Moqhaka and Ngwathe

TABLE 30: COMMUNITY DEVELOPMENT PROJECTS

Project Type	Financial Year					
	2012	2013	2014	2015	2016	2017
Educational Support and Upliftment	R 300,000.00	R 300,000.00	R 300,000.00	R 300,000.00	R 300,000.00	R 300,000.00
De Beers Zimele Voorspoed Hub	R 1,500,000.00	R 1,500,000.00	R 1,500,000.00	R 1,500,000.00	R 1,500,000.00	R 1,500,000.00
De Beers, Ngwathe and Moqhaka Rural Schools Development Programme	-	R 600,000.00	R 600,000.00	R 600,000.00	R 600,000.00	R 600,000.00
Voorspoed Mine Social Upliftment Programme	R 200,000.00	R 200,000.00	R 200,000.00	R 200,000.00	R 200,000.00	R 200,000.00
De Beers Development Caravan	R 450,000.00	R 450,000.00	R 450,000.00	R 450,000.00	-	-
Totals	R 2,450,000.00	R 2,950,000.00	R 2,950,000.00	R 2,950,000.00	R 2,950,000.00	R 2,950,000.00



## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME



Project Details									
Project Name:	Educational Support and Upliftment			Project Classification: School support and Post Matric					
Background: Educational support and upliftment for Ngwathe and Mophaka through Mathematics & Science intervention classes for identified Grade 10, 11 & 12 learners and Educator Development. A partnership with the Department of Education who identify the Educators for the Saturday classes, provide the centres and coordinate interventions in line with interventions for Mathematics and Science e.g. Winter Schools, Spring Classes									
Geographic Location	Fezile Dabi District	Ngwathe and Mophaka Local Municipality	City/Town/Village Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredefort, Koppies, Edenville				Project Start Date: 01 January 2012	Project End Date: 31 December 2017	
Output Improvement on Mathematics and Science results	Beneficiaries: Identified Grade 10, 11 & 12 learners	2012 Milestones 10% improvement	2013 Milestones 15% improvement	2014 Milestones 20% improvement	2015 Milestones 25% improvement	2016 Milestones 30% improvement	2017 Milestones 35% improvement	Total Budget R1.8million	

Job Creation						
	Male Adults	Male Youth	Female Adults	Female Youth	Total	Comments
Short Term	4		2			Jobs created during the implementation of the project (1 yr)
Medium Term	10		10			Number of jobs created (1 – 3yrs)
Long Term						Numbers of jobs created once the project is completed

Final Completion date: 2017 Exit Strategy: The project is a partnership with Department of Education

Project Details								
Project Name:	De Beers Zimele Voorspoed Business Hub			Project Classification: Poverty Alleviation and Job Creation				
Background: The Ngwathe and Mophaka Local Municipalities have agreed to support all their future entrepreneurial projects through the support of the De Beers Zimele Voorspoed Business Hub. The De Beers Zimele Hub established in 2010 aims to create sustainable jobs in the area. Since its establishment it has created over 204 jobs in the Community.								
Geographic Location	Fezile Dabi District	Ngwathe and Mophaka Municipality	City/Town/Village Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredefort, Koppies, Edenville			Project Start Date: 01 January 2012		Project End Date: 31 December 2017
Output Jobs created on an annual basis	Beneficiaries: Community Kroonstad Viljoenskroon Steynsrus, Parys, Heilbron, Vredefort, Koppies, Edenville	2012 Milestones 100 Jobs	2013 Milestones 100 Jobs	2014 Milestones 100 Jobs	2015 Milestones 100 Jobs	2016 Milestones 100 Jobs	2017 Milestones 100 Jobs	Total Budget R9million

Job Creation						
	Male Adults	Male Youth	Female Adults	Female Youth	Total	Comments
Short Term:	50%	50%	50%	50%		Targeted percentage set per year
Medium Term:	50%	50%	50%	50%		Targeted percentage set per year
Long Term:	50%	50%	50%	50%		Targeted percentage set per year
Final Completion date: 2017			Exit Strategy: Project to continue even after Mine has closed because it is envisaged that the project will continue to create sustainable jobs in the Area.			



## SECTION 5

# MINE COMMUNITY DEVELOPMENT PROGRAMME

Project Details								
<b>Project Name:</b>	De Beers, Ngwathe and Mophaka Rural Schools Development Programme				<b>Project Classification:</b> Infrastructure			
<i>Background: Rural school infrastructure upgrading of current facilities and assistance with adequate facilities at schools e.g. ablutions, science centre, classrooms. In partnership with the Local Municipality and Department of Education in identification of needy school per area, cost estimate and maintenance of infrastructures.</i>								
<b>Geographic Location</b>	Fezile Dabi District	Ngwathe & Mophaka Municipality	City/Town/Village Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville			<b>Project Start Date:</b> 01 January 2013	<b>Project End Date:</b> 31 December 2017	
<b>Output</b>	<b>Beneficiaries:</b>	<b>2012 Milestones</b>	<b>2013 Milestones</b>	<b>2014 Milestones</b>	<b>2015 Milestones</b>	<b>2016 Milestones</b>	<b>2017 Milestones</b>	<b>Total Budget</b>
Construction / Upgrade on existing school infrastructure	Community in Kroonstad Viljoenskroon Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville	3 schools	3 schools	3 schools	3 schools	3 schools	3 schools	R3million
<b>Schools identified in Mophaka and Ngwathe</b>	Schools Mabatho Phehellang Thabang Rehahuhetswe	Schools Ipatteleng Dibasehlo Boiphihlelo Sandersville	Schools Bodibeng Phuleng Kgolagano Adeline Meje	Schools Renyakalletse Kgabareng Ntsoanatsatsi Mahlatheng	Schools Ahasetjhaba Botjhabatsatsi Sindekile Selogikwe			
Job Creation								
	Male Adults	Male Youth	Female Adults	Female Youth	Total	Comments		
<b>Short Term:</b>						To be determined during implementation of projects and reported annually		
<b>Medium Term:</b>								
<b>Long Term:</b>								
<b>Final Completion date:</b> 2017					<b>Exit Strategy:</b> This process will continue until Mine Closure			
Project Details								
<b>Project Name:</b>	De Beers Development Caravan				<b>Project Classification:</b> Community Development (Social Upliftment)			
<i>Background: Network of People with Disabilities, youth and women organized of access resources and promote their interests. This project is aimed at facilitating access to basic needs to poor families in Viljoenskroon</i>								
<b>Geographic Location</b>	Fezile Dabi District	Ngwathe & Mophaka Municipality	City/Town/Village Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville			<b>Project Start Date:</b> 01 January 2012	<b>Project End Date:</b> 31 December 2015	
<b>Output</b>	<b>Beneficiaries:</b>	<b>Milestones 2012</b>	<b>Milestones 2013</b>	<b>Milestones 2014</b>	<b>Milestones 2015</b>	<b>Milestones 2016</b>	<b>Milestones 2017</b>	<b>Total Budget</b>
Access to services and resource for 350 of the poorest households in Viljoenskroon (Rammulotsi)	Community in Viljoenskroon Women, children, youth and people with disabilities	21 Social Auxiliary workers trained and qualified	210 households identified and assessed	Family development plans	Access to skills, education, resources services and jobs			R1.8million
Job Creation								
	Male Adults	Male Youth	Female Adults	Female Youth	Total	Comments		
<b>Short Term:</b>								
<b>Medium Term:</b>								
<b>Long Term:</b>	7			15	22			
<b>Final Completion date:</b> 2015					<b>Exit Strategy:</b> Integration of De Beers Development Caravan into Mophaka Local Municipality IDP and extension of programme to other towns			

Project Details								
<b>Project Name:</b>	Voorspoed Mine Social Upliftment Programme				<b>Project Classification:</b> Community Development			
<i>Background: A fully functional Local Area Committee (LAC) in the regional that will manage the De Beers Voorspoed Mine Social Upliftment programme. In line with the principles of De Beers Fund and in partnership with key community stakeholders.</i>								
<b>Geographic Location</b>	Fezile Dabi District	Ngwathe & Mophaka Municipality	City/Town/Village Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville			<b>Project Start Date:</b> 01 January 2012	<b>Project End Date:</b> 31 December 2017	
<b>Output</b>	<b>Beneficiaries:</b>	<b>2012 Milestones</b>	<b>2013 Milestones</b>	<b>2014 Milestones</b>	<b>2015 Milestones</b>	<b>2016 Milestones</b>	<b>2017 Milestones</b>	<b>Total Budget</b>
Fully operational LAC in the regions	Community in Kroonstad Viljoenskroon Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville	R200 000	R200 000	R200 000	R200 000	R200 000	R200 000	R1.2million

Job Creation						
	Male Adults	Male Youth	Female Adults	Female Youth	Total	Comments
<b>Short Term:</b>						To be determined during implementation of projects and reported annually
<b>Medium Term:</b>						
<b>Long Term:</b>						
<b>Final Completion date:</b> 2017				<b>Exit Strategy:</b> This process will continue until Mine Closure		

Project Details								
<b>Project Name:</b>	De Beers Development Caravan				<b>Project Classification:</b> Community Development (Social Upliftment)			
<i>Background: Network of People with Disabilities, youth and women organized of access resources and promote their interests. This project is aimed at facilitating access to basic needs to poor families in Viljoenskroon</i>								
<b>Geographic Location</b>	Fezile Dabi District	Ngwathe & Mophaka Municipality	City/Town/Village Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville			<b>Project Start Date:</b> 01 January 2012	<b>Project End Date:</b> 31 December 2015	
<b>Output</b>	<b>Beneficiaries:</b>	<b>Milestones 2012</b>	<b>Milestones 2013</b>	<b>Milestones 2014</b>	<b>Milestones 2015</b>	<b>Milestones 2016</b>	<b>Milestones 2017</b>	<b>Total Budget</b>
Access to services and resource for 350 of the poorest households in Viljoenskroon (Rammulotsi)	Community in Viljoenskroon Women, children, youth and people with disabilities	21 Social Auxiliary workers trained and qualified	210 households identified and assessed	Family development plans	Access to skills, education, resources services and jobs			R1.8million

Job Creation						
	Male Adults	Male Youth	Female Adults	Female Youth	Total	Comments
<b>Short Term:</b>						
<b>Medium Term:</b>						
<b>Long Term:</b>	7			15	22	
<b>Final Completion date:</b> 2015				<b>Exit Strategy:</b> Integration of De Beers Development Caravan into Mophaka Local Municipality IDP and extension of programme to other towns		



## SECTION 6

# HOUSING AND LIVING CONDITIONS PLAN

Since the inception of Voorspoed Mine the strategy has been to recruit primarily from the local labour sending areas, and promote integration with the local community. Subsequently there has been no need to convert historic housing legacies. Notwithstanding that, the Company and the National Union of Mineworkers (NUM) have concentrated their efforts to facilitate home ownership. This resulted in the current Framework Agreement on Accommodation signed between the parties in 2004. (Annexure 6)

The parties have agreed that the current agreement is no longer relevant and have been re-engaging on the matter of housing and accommodation since 2011, with a specific emphasis on facilitated home ownership.

### HOMEOWNERSHIP SURVEY

To assist De Beers to meet the Mining Charter objective of facilitated home ownership for semi-skilled employees, and to ensure compliance with revised Social and Labour Plans (SLP's), the Company has engaged the services of an independent and experienced

consultant to conduct a survey of home ownership in its operations.

The main aims of the survey are to:

- Establish current home ownership levels for semi-skilled employees,
- Explore alternative facilitator roles for the Company in assisting semi-skilled employees to achieve home ownership, and
- Consider options towards achieving a fair and equitable dispensation in respect of housing and accommodation.

To help clarify this facilitator role, the Company has requested that benchmarking be carried out of best practices relating to housing in other mining companies. The survey will also identify key service providers active in the housing sector, including their proposed service offerings for engaging employees around home ownership. The NUM has been actively engaged in the process.

### SCOPE AND LIMITS

The survey took place at the Venetia, Voorspoed and Kimberley operations. The survey was conducted among a

representative proportion of up to level 2 semi-skilled employees across these operations.

### CONCLUSION

The Company has received a preliminary report and will engage the NUM around its findings during November 2012. Subject to these engagements, a final report or a plan is expected by the end of the second quarter 2013.





## SECTION 7

# PREFERENTIAL PROCUREMENT PLAN

Voorspoed Mine is committed to the preferential purchasing and procurement objectives of the Mining Charter. The purpose of the Voorspoed Mine Procurement Progression Plan is to ensure the identification, procurement and subsequent management of suppliers categorised as BEE Entity - HDSA suppliers (i.e. Ownership >25%). Voorspoed Mine is also committed to the establishment and growth of local SMMEs.

In 2009, DBCM adopted the Anglo American Zimele Model for funding entrepreneurs in the areas in which we operate. The De Beers Zimele Voorspoed Business Hub is an Enterprise Development initiative adopted from the Anglo American Zimele Businesses development model and focused on poverty eradication and creating sustainable employment in the communities where we operate.

The broad objectives of the Procurement Plan are to:

- Actively identify new BEE Entity - HDSA suppliers in the procurement environment of the Fezile Dabi region.

- Establish a comprehensive and accurate supplier and or vendor database in order to ensure that future HDSA expenditure is reflected and reported correctly.
- Progressively align the levels of spend with BEE Entity - HDSA and other category suppliers by setting realistic targets over the next five years.
- Encourage existing DBCM suppliers, who are anticipated to have capacity in the Fezile Dabi region, to embark on a transformation process whereby they create BEE Entity - HDSA shareholding in their ownership structures or enter into joint ventures in order to transfer skills, particularly in the case of Multinational suppliers.
- Encourage suppliers who are not economically active in the Fezile Dabi region to form partnerships or to expand into sustainable entities within the Fezile Dabi region.

### 7.1 BASIS FOR TARGETS

DBCM has used the 2011 expenditure analysis and the Working Cost Escalation (CPI) from the De Beers Group Accounting Economic Indicators dated 11 May 2012 as the base for formulating the Preferential Procurement Targets.

### 7.2 DEFINITIONS

For the purposes of this submission the following definitions will prevail:

- BEE Entities: means - an entity of which a minimum of 25% + 1 vote of share capital is directly owned by HDSA as measured in accordance with the flow through principle.
- HDSA Owned ≥ 50%
- HDSA Empowered ≥ 25% and ≤ 50%
- HDSA Influenced ≥ 5% and ≤ 25%
- White Owned < 5%
- Non-discretionary procurement expenditure: means - expenditure that cannot be influenced by a mining company, such as procurement from the public sector and public enterprises.
- Local Procurement – geographical area in order of execution preference:
  - Municipal Area – Host Area
  - District
  - Province
  - National – South Africa

Multinational Companies: means - “Only companies whose ownership is held outside South Africa and it has facilities or other assets in South Africa”



### 7.3 INFLUENCE OF PREFERENTIAL PROCUREMENT

#### 7.3.1 MULTINATIONAL COMPANIES – CONTRIBUTION TO SOCIO-ECONOMIC DEVELOPMENT

DBCM will use its best endeavours, through its contractual requirements, to ensure compliance by its Multinational contractors with the requirements for suppliers of capital goods, to contribute a minimum of 0.5% of annual income generated from DBCM towards socio-economic development of local communities.

#### 7.3.2 CONTRACTING COMPANIES - WORKFORCE

DBCM will use its best endeavours through its contractual requirements to ensure compliance by its contractors with the requirements of the Human Resources Development and Employment Equity Programmes as stipulated in Regulation 46 of the Act, and will also make it known not only to its own employees but also to the employees of its contractors.

#### 7.3.3 PROCUREMENT SUPPORT TO LOCAL ECONOMIC DEVELOPMENT AND SOCIO ECONOMIC INITIATIVES

DBCM will utilise the Governance, Best Business Principles, Ethical Contracting and Supply Chain Procurement Policies and Procedures to support and guide the activities of Local Economic Development and Socio Economic projects and initiatives, thereby creating an environment which is fair and equitable in execution to achieve the objectives of this document.

#### 7.3.4 PROCUREMENT SYSTEMS

DBCM has developed a system of capturing and classifying spend when purchase orders are raised in SAP. The spend is grouped into the capital, services, consumables and the sundry unknown or unclassified group. Spend data is analysed very quarter in order to measure the effectiveness of the company's programs in achieving the set targets.

TABLE 31: PREFERENTIAL PROCUREMENT TARGETS FOR BEE ENTITY SUPPLIER AS A PERCENTAGE OF THE TOTAL CATEGORY SPEND – NATIONAL TARGETS

	2012	2013	2014	2015	2016	2017	2018
Capital	20%	30%	40%	42%	44%	46%	48%
Services	50%	60%	70%	72%	74%	76%	78%
Consumables	25%	40%	50%	52%	54%	56%	58%
Multinational Companies – Socio Economic	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

TABLE 32: PREFERENTIAL PROCUREMENT TARGETS FOR BEE ENTITY SUPPLIER AS A PERCENTAGE OF THE TOTAL CATEGORY SPEND – PROVINCIAL TARGETS

	2012	2013	2014	2015	2016	2017	2018
Capital	20%	29%	39%	41%	43%	45%	47%
Services	21%	26%	30%	31%	32%	33%	33%
Consumables	3%	4%	6%	6%	6%	6%	6%



## SECTION 7

# PREFERENTIAL PROCUREMENT PLAN

TABLE 33: PREFERENTIAL PROCUREMENT SPEND TARGETS - DISCRETIONARY

(R '000)	Spend	2013	2014	2015	2016	2017	2018
<i>Capital</i>	<i>Total Spend</i>	8 512 930	8 930 064	9 358 707	-	-	-
	<i>National BEE Entity Spend</i>	2 553 879	3 572 025	3 930 657	-	-	-
	<i>Provincial BEE Entity Spend</i>	225 022	559 522	678 807	-	-	-
<i>Services</i>	<i>Total Spend</i>	246 705 622	258 794 198	271 216 319	284 777 135	299 015 992	313 966 791
	<i>National BEE Entity Spend</i>	163 328 581	199 886 961	215 466 722	232 524 504	250 749 398	270 215 469
	<i>Provincial BEE Entity Spend</i>	25 165 668	41 920 293	47 806 722	54 497 419	61 988 461	70 362 811
<i>Consumables</i>	<i>Total Spend</i>	192 882 803	202 334 060	212 046 095	222 648 400	233 780 820	245 469 861
	<i>National BEE Entity Spend</i>	77 153 121	101 167 030	110 263 969	120 230 136	130 917 259	142 372 519
	<i>Provincial BEE Entity Spend</i>	1 382 584	2 832 677	3 339 322	3 926 620	4 598 233	5 364 141
<i>Totals</i>	<i>Total Spend</i>	448 101 355	470 058 321	492 621 121	507 425 535	532 796 812	559 436 652
	<i>National BEE Entity Spend</i>	243 035 581	304 626 017	329 661 348	352 754 640	381 666 657	412 587 989
	<i>Provincial BEE Entity Spend</i>	26 773 274	45 312 492	51 824 851	58 424 039	66 596 694	75 726 952





## SECTION 8

# PROCESS TO MANAGE DOWNSCALING AND RETRENCHMENTS

### 8.1 INTRODUCTION

Voorspoed Mine will manage all future downscaling and retrenchments in conjunction with the relevant employee representative bodies, in accordance with the law. The parties agree to the following overarching principles:

- Prevent job losses and a decline in employment through turnaround or redeployment strategies, and to seek alternative solutions to the threats to job security and potential measures to prevent a decline in employment.
- Promote a culture of self-employment and self-maintenance, aimed at improving access to employment opportunities for those that are unemployed.
- Seek to improve the quality of life of all retrenched employees and the affected communities.
- Promote on-going engagement between Voorspoed Mine, the union(s) and other relevant parties in respect of any problems and or challenges experienced by either of the parties, and in relation to possible alternative job creation projects.

- Joint and open discussion of issues that concern the employees' future.
- Jointly engage in strategic planning, deployment or other appropriate strategies that affect jobs, and evaluate progress at regular intervals.

### FUTURE FORUM

The core functions of the Voorspoed Mine Future Forum are summarized as follow:

- promote on-going discussions between the union(s) and Voorspoed Mine regarding the future of the mine;
- proactively identify problems, challenges and possible solutions with regards to productivity and employment;
- identify production and employment turn-around strategies
- implement strategies agreed between the parties.

Attached hereto as Annexure 5 is the jointly signed Future Forum (FF) Terms of Reference (TOR) document. The FF has been established and will act as a governing body and provide recommendations where applicable as stipulated in the attached FF TOR.

### PROCESSES TO BE FOLLOWED TO AVOID JOB LOSSES AND A DECLINE IN EMPLOYMENT

The resource information upon which the Mine Works Programme was based indicates that Voorspoed Mine has 8 years operational life span remaining. However, this may be impacted upon by various internal and external economic factors, which could negatively impact the future economic viability of the mine and may result in job losses and premature closure.

During Voorspoed Mine's planned life of mine all efforts will be made to prevent job losses and premature closure. Initiatives will include, but will not be limited to, the following:

- Proactive and timeous consultations with employee representatives and other key stakeholders on ideas and suggestions to reduce operating costs and or productivity improvement in order to prevent job losses.
- Revision of shift configurations and overtime provisions.
- Reduction in the number of contractors on site.
- Offer voluntary separation and / or early retirement incentives.



In the event that the above initiatives are unsuccessful, the following legislated process will be followed:

- When initiating a retrenchment process, the parties will jointly notify the Minerals and Mining Development Board or the Director General of the situation at the mine, and Voorspoed Mine will provide the required information to the Board to the Director General.
- Voorspoed Mine and / or all the affected parties will comply with the Ministerial directive that may be issued in respect of this process.
- Section 189 of the Labour Relations Act, 1995 shall regulate the retrenchment processes to be followed.

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

Voorspoed Mine aims to ensure that through the effective implementation of its HRD Plan, systems for creating employee mobility will be in place. In addition to these plans, where it is clear that job losses cannot be avoided,

the skills base of retrenched employees will be further diversified. This will be through specific learnership programmes aimed at providing employees, as far as is practically possible, with alternative skills and experience to enhance their employability outside of the mining sector.

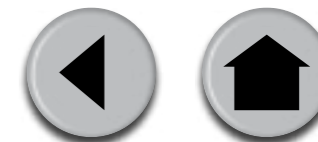
The following process will be adopted by Voorspoed Mine in conjunction with all affected parties:

- Conduct a comprehensive skills audit of the affected employees.
- Develop learnership programmes that are aligned to the interests of the affected employees as well as the current and forecast skills requirements for the Free State region.
- Implement the accredited learnership programmes.

This process will ensure that retrenched employees are more marketable and can capitalise on current and emerging employment opportunities that exist within the local labour market. Mechanisms to ameliorate the Social and Economic Impact on Individuals, Regions and Economies resulting from Mine Closure.

As previously stated, the resource information upon which the Mine Works Programme was based indicates that Voorspoed Mine has an 8 years operational life span. Based on the current mine plan a gradual downscaling process will commence in 2020 of the operation. This downscaling is associated with the reduction in operational activities as the economically viable open pit resource diminishes.

Assuming that no additional economically viable resources are available, Voorspoed Mine will implement the necessary mechanisms to ameliorate the social and economic impacts on individuals, the Free State region and the Fezile Dabi District, Mqhasha and Ngwathe local communities.



## SECTION 9

# FINANCIAL PROVISION

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*In line with the commitments included in the Social and Labour Plan, Voorspoed Mine will provide financially for the following programmes:*

- *Human Resources Development Programme*
- *Mine Community Development Programme*
- *Social Upliftment*
- *Housing and Living Condition Plan*
- *Process to manage Downscaling and retrenchments*

<i>Programme</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>Total</i>
<i>Human Resources Development Programme</i>	<i>R622 786</i>	<i>R1 628 376</i>	<i>R1 085 766</i>	<i>R727 518</i>	<i>R594 108</i>	<i>R541 698</i>	<i>R5.2m</i>
<i>Mine Community Development Programme</i>	<i>R2.45m</i>	<i>R2.95m</i>	<i>R2.95m</i>	<i>R2.95m</i>	<i>R2.95m</i>	<i>R2.95m</i>	<i>R17.2m</i>
<i>Housing and Living Conditions</i>	<i>In line with the implementation of the Housing and Living Conditions Plan, Voorspoed Mine will determine the total cost during 2013 and amend the SLP to include the financial provision</i>						
<i>Downscaling and Retrenchments</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>R159m</i>

## SECTION 10

# UNDERTAKING

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*The undertaking in terms of the Social and Labour Plan for Voorspoed Mine is made on behalf of De Beers Consolidated Mines Limited by Ms. Nompumelelo Dessederia Zikalala, General Manager – DBCM Voorspoed Mine.*

*I, Ms. Nompumelelo Dessederia Zikalalathe undersigned and duly authorised thereto by De Beers Consolidated Mines Limited, undertake to adhere to the information, requirements, commitments and conditions as set out above, and to make the Social and Labour Plan known to all employees at Voorspoed Mine.*

*Signed at Kroonstad on this 22<sup>nd</sup> day of January 2013.*

*Ms. Nompumelelo Dessederia Zikalalathe  
General Manager – DBCM Voorspoed Mine.*