



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<br>Road S156<br>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)<br>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 workplace 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:<br>Develop, lead and inspire productive workplace teams<br>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

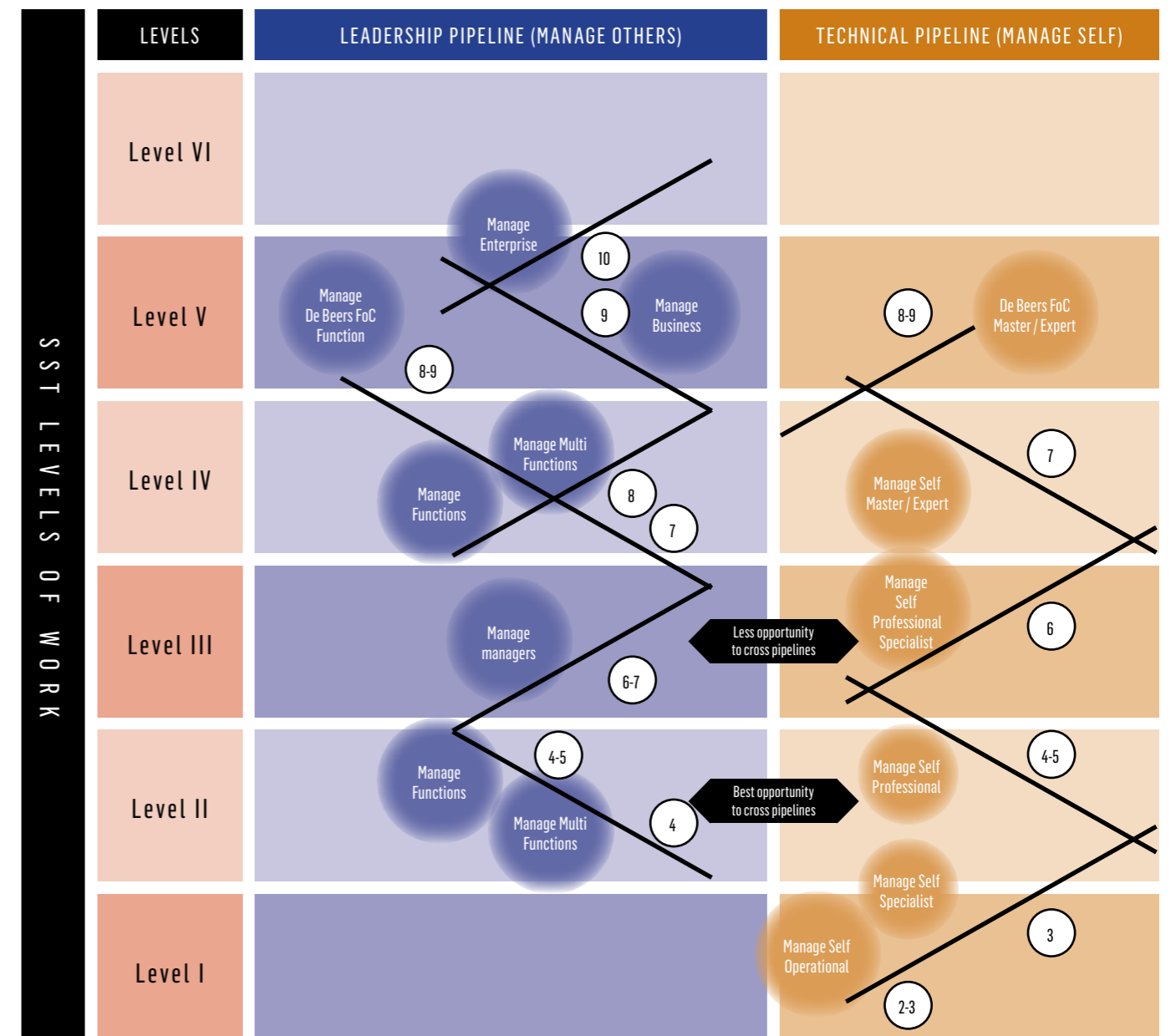
#### 3.5.1 INTRODUCTION

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<br>Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredefort, Koppies, Edenville |  |                                    |                                    | Project Start Date:<br>01 January 2012 | Project End Date:<br>31 December 2017 |  |
| Output Improvement on Mathematics and Science results   | Beneficiaries: Identified Grade 10, 11 & 12 learners | 2012 Milestones<br>10% improvement     | 2013 Milestones<br>15% improvement   | 2014 Milestones<br>20% improvement                     | 2015 Milestones<br>25% improvement | 2016 Milestones<br>30% improvement | 2017 Milestones<br>35% improvement     | Total Budget<br>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<br>Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredefort, Koppies, Edenville |  |                             | Project Start Date:<br>01 January 2012 |                             | Project End Date:<br>31 December 2017 |  |
| Output Jobs created on an annual basis   | Beneficiaries: Community Kroonstad Viljoenskroon Steynsrus, Parys, Heilbron, Vredefort, Koppies, Edenville | 2012 Milestones<br>100 Jobs      | 2013 Milestones<br>100 Jobs  | 2014 Milestones<br>100 Jobs                                  | 2015 Milestones<br>100 Jobs | 2016 Milestones<br>100 Jobs            | 2017 Milestones<br>100 Jobs | Total Budget<br>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:<br>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<br>Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville |  |   | <b>Project Start Date:</b><br>01 January 2013                            | <b>Project End Date:</b><br>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 Phehlang 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<br>Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville |  |   | <b>Project Start Date:</b><br>01 January 2012                            | <b>Project End Date:</b><br>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<br>Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville |                        |  | <b>Project Start Date:</b><br>01 January 2012 | <b>Project End Date:</b><br>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<br>Kroonstad, Viljoenskroon, Steynsrus, Parys, Heilbron, Vredfort, Koppies, Edenville |                          |  | <b>Project Start Date:</b><br>01 January 2012 | <b>Project End Date:</b><br>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.

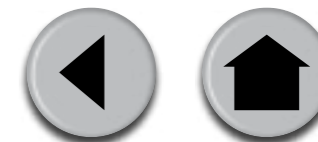
The following process will be adopted by Voorspoed Mine in conjunction with all affected parties:

- 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, Mqohaka 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.*