



ROYAL BAFOKENG NATION



AMENDMENT 1

STYLDRIFT PROJECT

SOCIAL AND LABOUR PLAN

MANAGED BY
THE BRPM JOINT VENTURE

NOVEMBER
2007

Version 2007-1126.2



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Organising Structure of this Document

The organisation of this document follows directly from Regulation 46 (a - f) 'Contents of the Social and Labour Plan' of the regulations of the Mineral and Petroleum Resources Development Act.

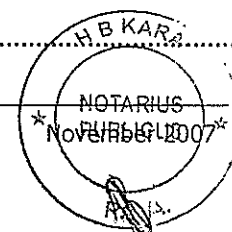


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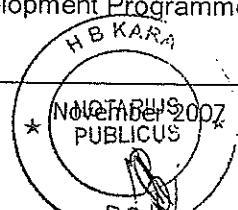
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Abbreviations and Acronyms

ABET	Adult Basic Education and Training
ADC	Anglo Platinum Development Centre
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral Therapy
BBSEE	Broad-based Socio-economic Empowerment
BDO	Business Development Officer
BEE	Black Economic Empowerment
BRPM	Bafokeng Rasimone Platinum Mine
CPF	Central Partnership Forum
CSI	Corporate Social Investment
DME	Department of Minerals and Energy
DoH	Department of Housing
DoT	Department of Transport
EIA	Environmental Impact Assessment
EMP	Environmental Management Programme
HBSS	Housing Bond Subsidy Scheme
HDP	Historically Disadvantaged Person
HDSA	Historically Disadvantaged South African
HIV	Human Immunodeficiency Virus
HRD	Human Resources Development
HRSS	Home Rent Subsidy Scheme
IAPs	Interested and Affected Parties
IDC	Individual Development Charter
IDP	Integrated Development Plan
JWG	Joint Working Group
LBD	Local Business Development
LED	Local Economic Development
LITNUM	Literacy and Numeracy
LPCAT	Learning Potential Computerised Adaptive Test
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NGO	Non-Governmental Organisation
NPI	National Productivity Institute
NQF	National Qualifications Framework
OEM	Original Equipment Manufacturer
PGM	Platinum Group Metals
RBH	Royal Bafokeng Holdings
RBN	Royal Bafokeng Nation
RBR	Royal Bafokeng Resources
RLM	Rustenburg Local Municipality
RPM	Rustenburg Platinum Mine
SADC	Southern African Development Community
SED	Socio-economic Development
SHE	Safety, Health and Environment



SLP	Social and Labour Plan
SMME	Small, Micro and Medium Enterprise
STI	Sexually Transmitted Infection
TP	Total Package
WSP	Workplace Skills Plan



Executive Summary

BACKGROUND

The proposed project is known as the Styldrift Project. The farm Styldrift is contiguous with the existing Bafokeng Rasimone Platinum Mine (BRPM) in the North West Province of South Africa. Thus, the Project is an extension to the existing Bafokeng Rasimone Platinum Mine Joint Venture (BRPM). BRPM is a joint venture between Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo Platinum Ltd, and Royal Bafokeng Resources (RBR). RBR is a wholly owned subsidiary of the Royal Bafokeng Nation (RBN). The BRPM JV, under the terms and conditions of Prospecting Right 408/2006PR granted to RBN, has been investigating the possibility of mining the Merensky and UG2 ore reserve beneath the farms Frischgewaagd 96 JQ and Styldrift 90 JQ in the Rustenburg area. Capital funding for the joint venture is apportioned equally to both parties. A mining profile of 230ktpm is required for the Styldrift Project with the emphasis being on the mechanised mining areas. The project will develop into a section of BRPM, similar to North and South shafts.

In terms of the Mineral and Petroleum Resources Development Act (Act 28 of 2002), the BRPM JV applied to the Department of Minerals and Energy (DME) for a Mining Right in June 2006. Subsequently the Project EIA/EMP was submitted to the DME on the 15th of March 2007 after due prescribed consultation with all interested and affected parties (IAPs). The technical and financial viability of the project was studied over an eighteen month period and will be completed for approval by the JV Partners during the 2nd quarter of 2008.

BRPM is located about 40km north-west of Rustenburg in the North West Province of South Africa. The mine lies within the Elands River Catchment area, upstream of the Vaalkop Dam. The new Styldrift Project infrastructure will be located approximately 7km from the BRPM concentrator plant and 5.5km south of Sun City along the R565 Secondary Road. The Royal Bafokeng Nation, with whom Anglo Platinum has an agreement, owns most of the surface rights in the area. The villages of Chaneng, Rasimone, Mafenya and Robega are neighbouring the proposed project.

BRPM will be responsible for the implementation and reporting of this Styldrift Social and Labour Plan, hereafter referred to as "the Social and Labour Plan", which forms part of the application for a new order mining right. The Social and Labour Plan is based on the current submitted BRPM Social and Labour Plan and Anglo Platinum policies and procedures will apply. Therefore continued reference will be made to Anglo Platinum ('the Company') and 'BRPM' ('the mine') in this document. Note that the commitments and plans in this Social and Labour Plan will become effective upon the granting of a mining right and the successful commencement of an operation at Styldrift.

BROAD BASED BLACK ECONOMIC EMPOWERMENT

On 12 August 2002, Anglo Platinum and the Royal Bafokeng Nation announced that agreement had been reached to form a 50:50 joint venture to mine the Boschkoppie and Styldrift farms owned by Anglo Platinum and Royal Bafokeng Nation respectively. In terms of the joint venture, which became unconditional on 27 February 2004, RPM and RBR will co-operate as equal participants and intend to utilise the existing infrastructure at BRPM to gain access to the farm Styldrift.

This empowerment transaction has resulted in the joint ownership of a R4.2 billion platinum mine. This Joint Venture contributes to economic empowerment of HDSAs, job creation, community upliftment, participation of women in the mining sector and the establishment of a substantial HDSA managed and controlled mining and resources company, materially contributing to South African economic growth. The composition of the beneficiary structure in the transaction recognises the importance of local communities and employees and promotes gender equality and broad-based ownership.

SOCIAL AND LABOUR PLAN

This Styldrift Social and Labour Plan, managed by BRPM, represents a workable document for the Styldrift Project with specific Action Plans and targets within a five year period (2008 to 2012). It will be updated on an annual basis to reflect changes in the workforce and progress in implementing the Social and Labour Plan actions.

The Styldrift Project will employ between 200 and 500 contractors during the construction phase, which will commence in 2009 and lasts until 2014. It is expected that between 685 and 3 300 personnel will be permanently employed during the operational phase starting in 2013 and reaching a maximum labour contingent in 2033. This Social and Labour Plan specifically refers to the year 2017, one year after steady state, as base case scenario when approximately 1 824 people will be employed.

Some of the salient management measures in this Social and Labour Plan include the following:

- a) A transparent recruitment process with well-defined and communicated recruitment criteria;
- b) Recruitment offices will be located close to the villages;
- c) The exact number of positions available and the qualifications required will be advertised locally;
- d) BRPM has an agreement with the Royal Bafokeng Holdings (RBH) that they will employ local employees wherever feasible which will apply to the Styldrift Project. All tenders for work and supplies are referred to the Royal Bafokeng Economic Board and training offered to enable entrepreneurs in tendering procedures. Local suppliers will be identified through the RBE Board and contractors are involved through temporary and permanent work;
- e) The objective of the all contractors must be to use and develop the capacity of communities, making maximum use of local SME and BEE companies;
- f) BRPM has a Skills Development Plan, which is the foundation for the mines education, training and development programmes; and
- g) Relevant training will be provided either at the BRPM Training Centre or Anglo Platinum training centres.

BRPM established a partnership with the Rustenburg Local Municipality and Royal Bafokeng Administration, dating back to 1997 to build new houses in the Rustenburg corridor to Sun City and on land near Boshoek town currently owned by Anglo Platinum. Discussions between the Mine, Rustenburg Municipality and the Royal Bafokeng Administration have re-started to rejuvenate the strategy in view of the additional personnel required for the project.

Although financial and technical considerations are still being researched, remuneration packages will enable employees to rent or purchase the properties. Discussions will be ongoing till mid 2008 at which time a final decision on the application of the strategy will be taken. The projects strategy will integrate with Anglo Platinum's regional plans for the development and planning of Rustenburg town.

Considering BRPM's current employees, the Mine has assessed the housing needs of its existing employees in 2007 by means of a survey and will incorporate the survey data obtained during the housing project for new employees for the Styldrift Project. Additional impacts associated with noise, air quality, visual aspects and vibration are discussed above.

The achievement of all targets and performance requirements discussed in this Social and Labour Plan are integral to the annual performance review of the operational unit manager, as well as those managers and personnel directly responsible for these achievements in each operational or departmental area.



SECTION 1

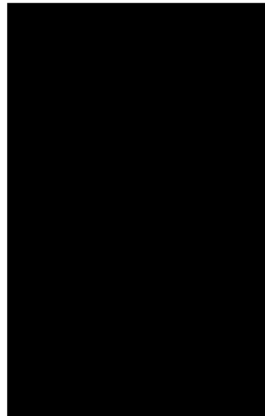
1 PREAMBLE AND BACKGROUND INFORMATION OF THE MINE

1.1 INTRODUCTION

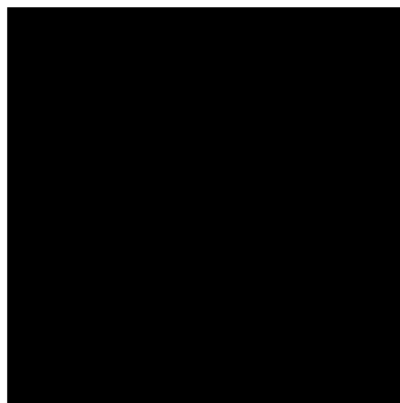
This document outlines the location of the Styldrift Project, as well as key data on the proposed mining operation, its proposed workforce and its socio-economic impact.

Name of Company
Royal Bafokeng Nation

- Contact person
- Physical address
- Postal address
- Telephone:
- Facsimile


Name of mine
**Styldrift Project ("Styldrift") under management of the
Bafokeng Rasimone Platinum JV Mine ("BRPM")**

- Contact person
- Physical address
- Postal address
- Telephone: Reception
- Facsimile


Commodities mined

 Platinum, palladium, rhodium, iridium, osmium, ruthenium, gold,
silver, cobalt, nickel, copper and chrome

Location
Local Municipality: Rustenburg
District Municipality: Bojanala
Province: North West

**Breakdown of employees per
labour sending area**

No employees as yet.

Life of mine

Combined mine: until 2066

Financial year-end

31 December



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1.2 LOCATION OF THE PROJECT

BRPM is a fully developed mine situated on the south-western limb of the Bushveld Complex. The mine is located within the Rustenburg Local Municipality of the North West Province, approximately 40km north of Rustenburg (Figure 1). The mine lies within the Elands River Catchment area, upstream of the Vaalkop Dam. BRPM is situated on the farm Boschkoppe 104 JQ, of which the surface rights are held by the Royal Bafokeng Nation. The mine has been built in close co-operation with the Royal Bafokeng Nation and considerable employment opportunities have been created.

The Styldrift Project is situated 8km north of BRPM. New Project infrastructure will be located approximately 7km from the BRPM concentrator plant and 5.5km south of Sun City along the R565 Secondary Road. The property has a common boundary with Boschkoppe to the south and is adjacent to the farm Frischgewaagd 96 JQ to the west. The major natural feature on the northern boundary is the Pilanesberg Complex. The Chaneng Village has been developed 1.7km to the south of the proposed Styldrift Shaft and the Robega and Rasimone Villages are located on Boschkoppe. The farm Styldrift 90 JQ is situated in tribal land in a region characterised by established chrome and platinum mining operations. The main access to the mine is via tar roads, and the Rustenburg-Thabazimbi railway line traverses Boschkoppe and Styldrift, with an operational station at Boshhoek.

Figure 1 Locality Map – Regional Setting

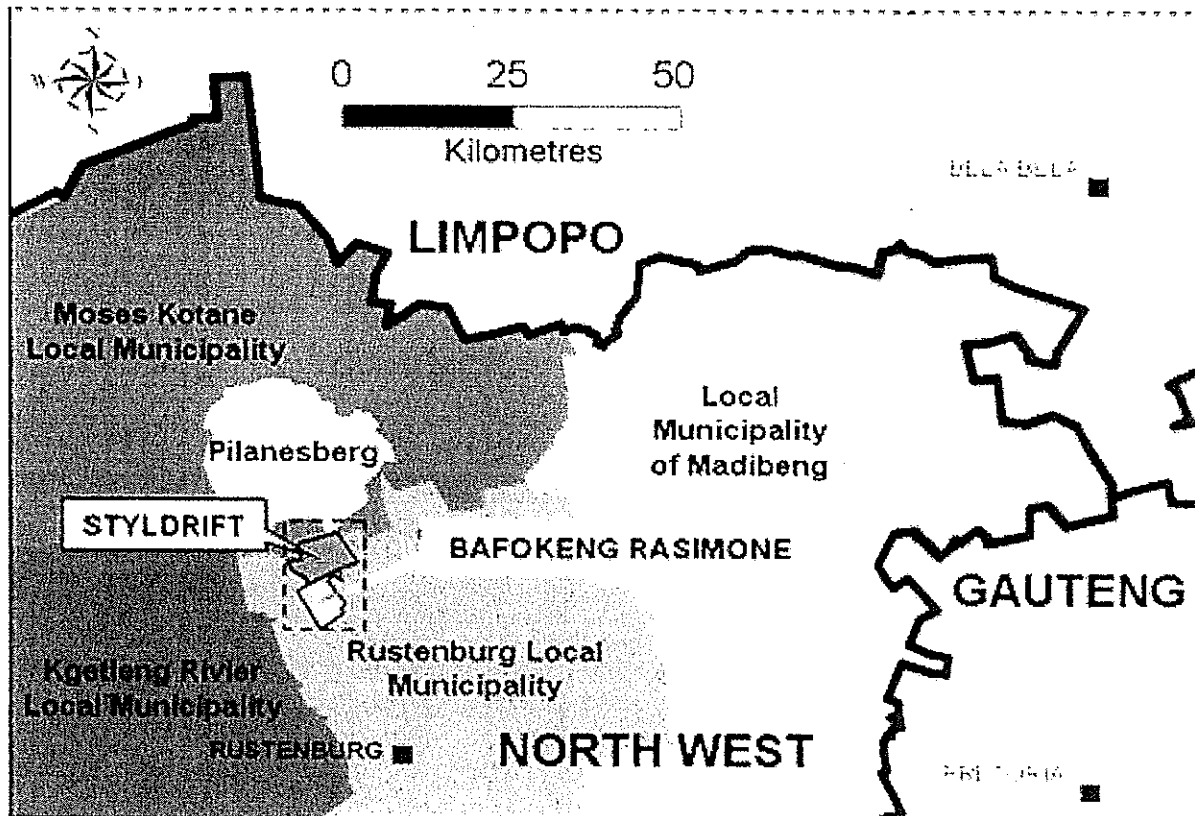
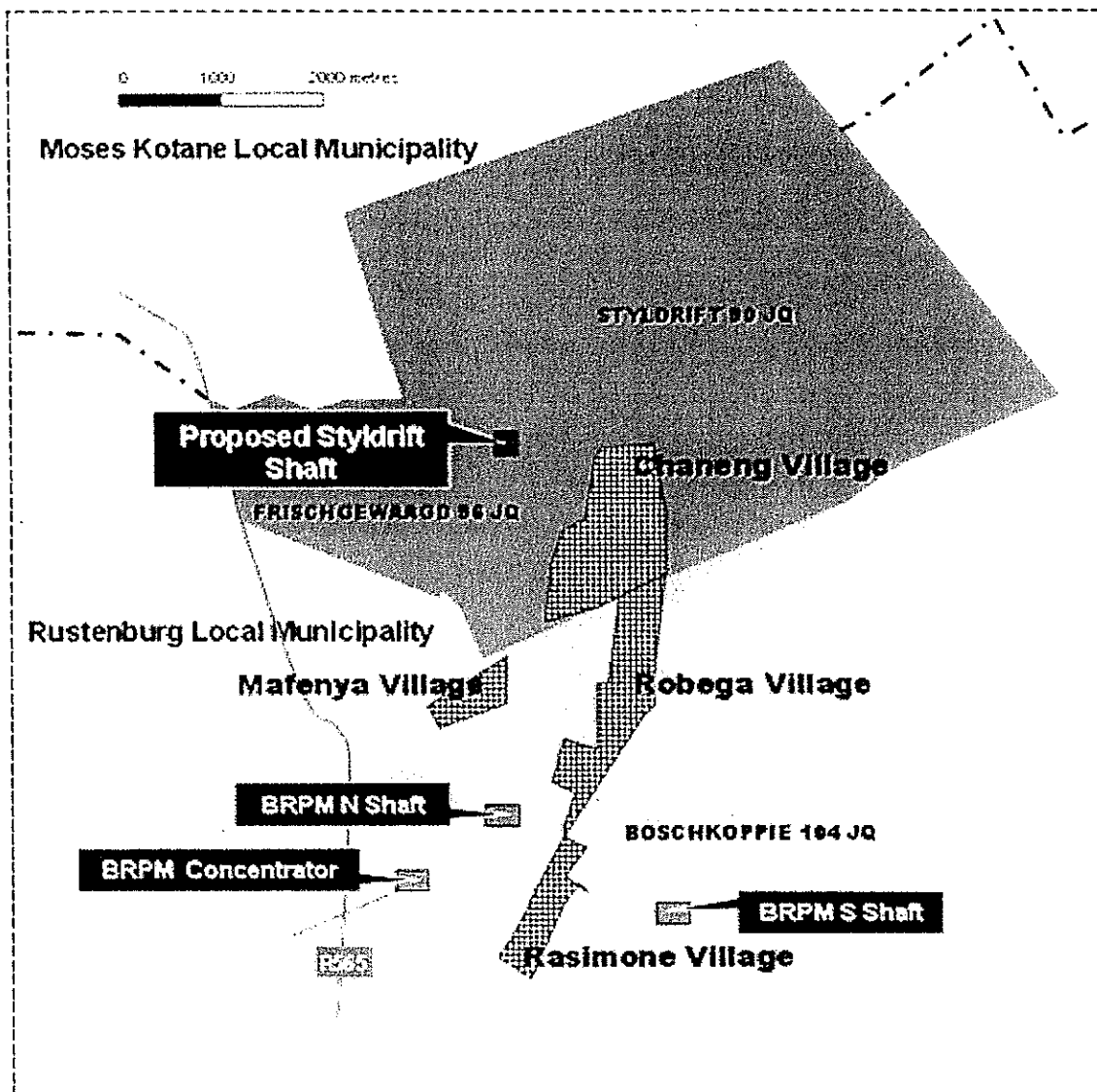


Figure 2 Locality Map – Local Setting



1.3 PROJECT OVERVIEW

1.3.1 Project background

The farm Styldrift is contiguous with the existing Bafokeng Rasimone Platinum Mine (BRPM) in the North West Province of South Africa and therefore is an extension to the existing Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV). BRPM is a joint venture between Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo Platinum Ltd, and Royal Bafokeng Resources (RBR). RBR is a wholly owned subsidiary of the Royal Bafokeng Nation (RBN). The BRPM JV, under the terms and conditions of Prospecting Right 408/2006PR granted to RBN, has been investigating the possibility of mining the ore reserve beneath the farms Styldrift and Frischgewaagd for some time. Geological drilling results suggested that geological conditions at BRPM are similar to those at Styldrift and that the ore is suitable for both conventional and mechanised mining methods.

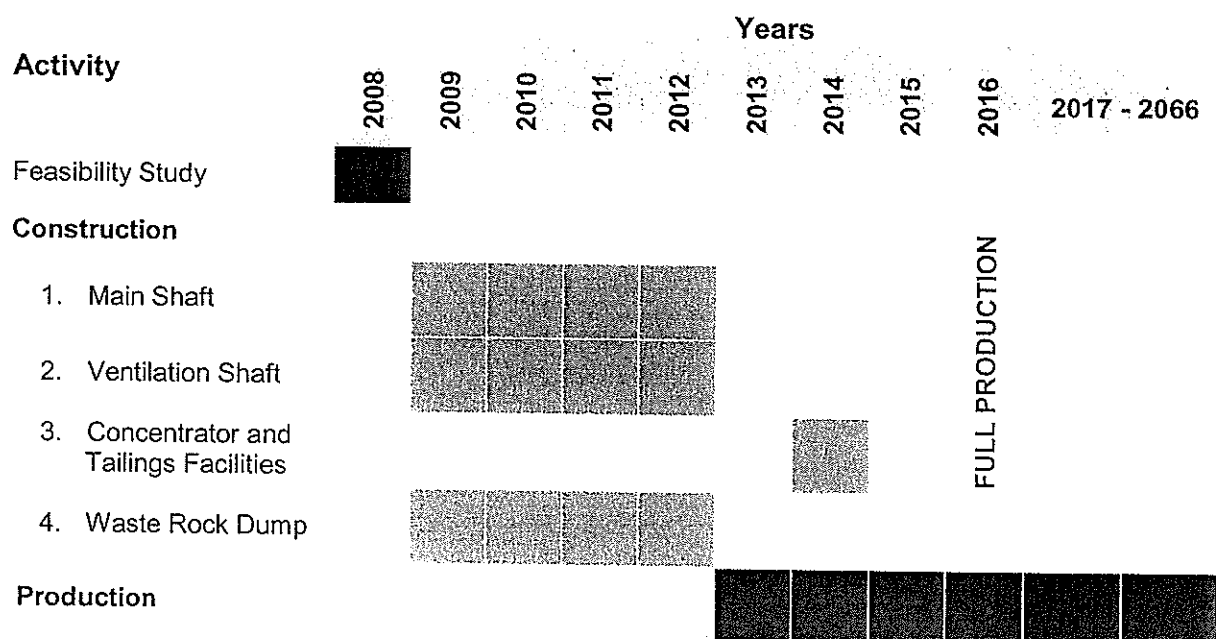
In terms of the Mineral and Petroleum Resources Development Act (Act 28 of 2002), the BRPM JV applied to the Department of Minerals and Energy (DME) for a Mining Right in June 2006. The application was accepted by the DME in a letter dated 15 September 2006 and, in terms of this acceptance, the RBN, as the applicant, was required to compile a combined Environmental Impact Assessment (EIA)/Environmental Management Programme (EMP) for submission to the decision-making authorities including the Lead Authority, the Department of Minerals and Energy. In terms of the BRPM JV agreement the BRPM JV undertook to compile the EIA and EMP. In turn the BRPM JV appointed independent consultants to evaluate the technical, financial, environmental and social viability of the Project. The environmental studies took place from March 2006 to March 2007 and included extensive public consultation (up to 9 focus group meetings and two public meetings) to ensure that stakeholders' contributions were considered in the studies. The Project EIA/EMP was submitted to the Department of Minerals and Energy (DME) on the 15th of March 2007 after due prescribed consultation with all interested and affected parties (IAPs).

1.3.2 Mine development

The feasibility study for the Styldrift project began as scheduled in 2006 and continued for an eighteen month period. During this phase more detailed geological modelling results caused some reworking to the mine design to be done. The final technical and financial viability of the project will be completed for approval by the JV Partners during the 2nd quarter of 2008 – see Table 1.

The Styldrift Project will entail additional infrastructure, including a new vertical shaft and a 230 000 tons per month concentrator, will allow full production of 2.76 million tons per annum from the Merensky ore body. The mining method will be mechanised with some conventional narrow reef mining methods only to be introduced around 2020. Production will start in 2013 while full production to be reached in 2016.

Table 1 Mine Development Schedule



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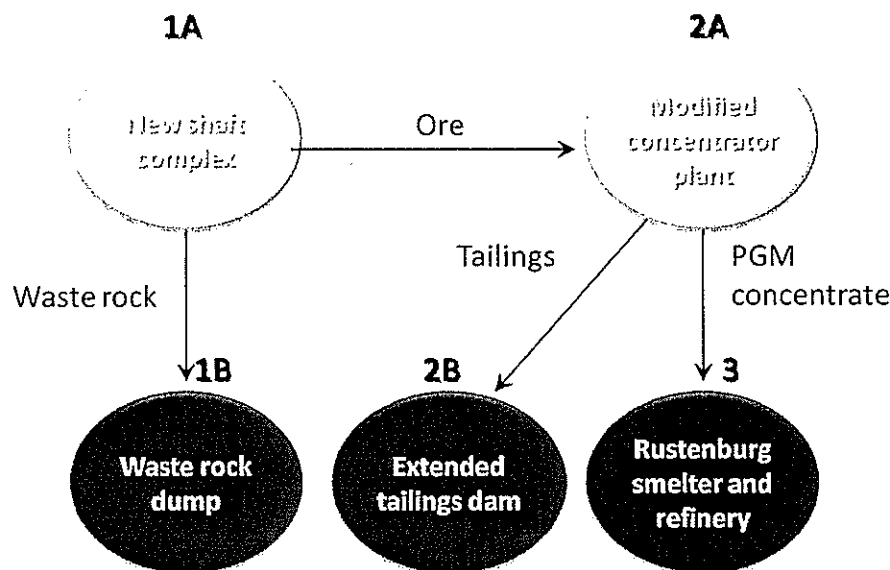
Table 1 indicates that project execution is scheduled to begin during early-2008 focussing on the construction of the main and ventilation shafts. This profile indicates a four to five year build-up to full production until 2049 and decreasing to closure in 2066, followed by a twenty-three year period at full production

A maximum labour complement of approximately 3 000 people is estimated to be reached in 2033 at Styldrift. The permanent employee numbers are based on requirements for the existing BRPM operation and the typical range of professions needed on a platinum mine of this nature. More detail is provided in the Human Resources Development section of this document.

1.3.3 Mine infrastructure

The Styldrift Project will entail additional infrastructure, including a new vertical shaft and a 230 000 tons per month concentrator, will allow full production of 2.76 million tons per annum from the Merensky ore body. The Project requires the construction of the following infrastructure. Figure 3 refers:

Figure 3 Simplified process flow diagram



- New shaft complex: main and ventilation shafts and other supporting surface infrastructure. Ore will be accessed and mined underground from the shaft (1A);
- New waste rock dump to accommodate waste rock from the underground workings (1B);
- Auxiliary ventilation shafts: approximately 13 new shafts over the life of the mine;
- Concentrator plant: modification of the existing BRPM concentrator plant (2A) to process ore from the new shaft complex;
- New service corridor: including overland water pipeline and powerlines, ore conveyor and access road;
- Tailings dam: expansion of the existing tailings dam (2B) to accommodate tailings from the modified concentrator plant;
- Man-material transport road: construction of new tar roads and upgrading sections of the existing road network between the new shaft complex and modified concentrator plant;

- Gravel construction access road: to provide access to the new shaft complex for the duration of the construction phase. This road will continue to be used to supply materials to the shaft during the operational phase and will be tarred during this phase; and
- The concentrate will continue to be transported by road to RPM's smelting and refining operations near Rustenburg (3).

Capital expenditure to bring the mine into full production is approximately R 4.2 billion, which excludes building a concentrator plant @ R1,2 billion and excluding escalation.

Table 2 gives a comparison between the key BRPM statistics before and after the Styldrift Project, i.e. how the BRPM operation will change in terms of capital investment, mining, production, employment, water consumption and personnel accommodation.

Table 2 Comparison of the key BRPM and Styldrift Project statistics

Existing BRPM	After the Styldrift Project
Location	
Farms Boschkoppie 104 JQ, Elandsfontein 102 JQ and Boschhoek 103 JQ	Expansion onto farm Styldrift 90 JQ (new shaft complex and service corridor) and Uitvalgrond 105 JQ (extended tailings dam)
Capital investment	
R1.2 billion	R4.2 billion (additional R3 billion)
Life of mine	
25 years	Greater than 35 years
Process	
Concentrator plant (210 000tpm)	Modified concentrator plant (440 000tpm, additional 230 000tpm)
Tailings dam (footprint: 161ha)	Extended tailings dam (Footprint: 330ha, additional 169ha)
Product: 7 000tpm concentrate to RPM's smelting and refining operations near Rustenburg	Product: Approximately 15 050tpm concentrate to RPM's smelting and refining operations near Rustenburg (additional 8 050tpm)
Ore transport	
Overland conveyor: transporting ore from North and South Shaft to existing concentrator plant	Overland conveyor: transporting ore from new shaft complex to the existing concentrator plant
Haul trucks: transporting method from South D and South 40 Shafts to South Shaft	No use of haul trucks
Mining	
Mining method: conventional narrow reef and some mechanised mining methods	Mining method: mechanised with some conventional narrow reef mining methods
Rate of production: 200 000tpm	Rate of production: 430 000tpm (additional 230 000tpm)

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Existing BRPM

Number of shafts: 4 (all operational)

- 1) South Shaft
- 2) South D Shaft
- 3) South 40 Shaft
- 4) North Shaft

Waste rock dump: South Shaft

Waste rock dump: North Shaft

Waste disposal sites

Domestic waste disposal site

Employment

Permanent: Approximately 3 000 personnel

Staff accommodation

Living out allowance

Water consumption

Source: Magalies Water

Potable: 2 MI/day

Process: 4 MI/day

Total: 6 MI/day

After the Styldrift Project

Number of shafts: 2 (additional 2) Excluding ventilation shafts.

New shaft complex

New waste rock dump near new shaft complex

Shared

Permanent: 4 200 – 4 650

Contractors: between 200 and 500

Living out allowance or housing provided.

Decision pending

Source: Magalies Water

Potable: 2.2 MI/day (additional 0.2 MI/day)

Process: 8.0 MI/day (additional 4.0 MI/day)

Total: 10.2 MI/day

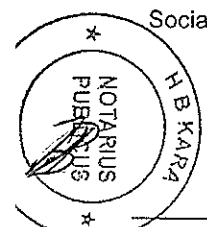
Table 3 below shows the project's conceptual history, its current readiness status and its future plans to implement the various Social and Labour Plan commitments as per Regulation 46.

Table 3 Readiness State and Project Plan for Styl drift

Deliverable	Action						
	Conceptual		Pre-Feasibility		Feasibility	Implementation	
	2003	2004	2005	2006	2007	2008	2009 and onwards
BRPM Social and Labour Plan for a conversion of mineral rights			<ul style="list-style-type: none"> • Compile draft Social and Labour Plan (SLP) based on base-case scenario as per Level 2 B study • Compile preliminary Women in mining and HDSA in management targets • Submit SLP to DME 		<ul style="list-style-type: none"> • Confirm final Social and Labour Plan based on mining method, tonnage and confirmed labour figures • Compile final Women in mining and HDSA in management targets based on approved labour plan • Submit revised SLP to DME 		<ul style="list-style-type: none"> • Social and Labour Plan implementation and yearly reporting
Desktop review of community infrastructure and impact		<ul style="list-style-type: none"> • Ascertain what socio-economic surveys have been undertaken • Identify and study socio-economic infrastructure, community structures and impact of project on local communities 	<ul style="list-style-type: none"> • Incorporate available information into draft SLP 				
Social Impact Study			<ul style="list-style-type: none"> • Identify parameters for Impact Study • Commission Social Impact Study as part of EIA process 		<ul style="list-style-type: none"> • Study report to identify potential risks and incorporate into final SLP 		

Draft Social and Labour Plan

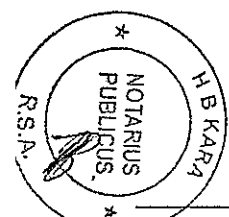
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Deliverable	Action						
	Conceptual		Pre-Feasibility		Feasibility	Implementation	
	2003	2004	2005	2006	2007	2008	2009 and onwards
Stakeholder Consultation			<ul style="list-style-type: none"> Meet with DME Identify all role players in area Undertake consultation with municipalities and tribal authorities Identify problem areas 		<ul style="list-style-type: none"> Consultation as part of EIA process Ascertain concerns Brief community on Social and Labour Plan and modify where required Identify complaint and recruitment procedures 		
Local Economic Development (LED) projects			<ul style="list-style-type: none"> Local Economic Development strategy for the region under BRPM Management Research and LED project identification process Meeting with Municipalities and RBN Consult with all roleplayers to agree on projects in principle Develop action, implementation plans and budgets 		<ul style="list-style-type: none"> Refine business plans and costing Continue consultation and project implementation 	<ul style="list-style-type: none"> Project implementation and reporting 	



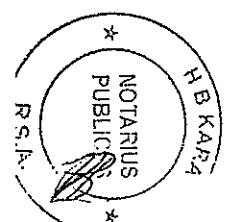
Deliverable	Action						
	Conceptual		Pre-Feasibility		Feasibility	Implementation	
	2003	2004	2005	2006	2007	2008	2009 and onwards
HR & HRD policies and procedures			<ul style="list-style-type: none"> Identify all policies and procedures appropriate to the project Integrate policies and procedures into draft SLP 		<ul style="list-style-type: none"> Finalise fit for purpose policies and procedures Ensure all appropriate and approved policies and procedures are in place 		
Labour plan	<ul style="list-style-type: none"> Obtain appropriate labour template Obtain draft labour plan Ensure labour plan terminology and job grades are correct Obtain agreement on draft labour numbers 		<ul style="list-style-type: none"> Adjust labour plan for various options Obtain agreement on draft labour numbers Use preliminary labour figures for draft SLP 		<ul style="list-style-type: none"> Obtain sign-off on final labour plan and labour build-up based on mining method and tonnage Integrate final labour figures into SLP 	<ul style="list-style-type: none"> Provide HR representative on site 	
Labour costing	<ul style="list-style-type: none"> Ascertain type of conditions of employment and remuneration system Ascertain availability and cost of accommodation in area Prepare estimates of labour costing based on draft labour plan over construction period 		<ul style="list-style-type: none"> Revalidate labour costing Confirm conditions of employment, latest remuneration figures, training costs, accommodation requirements Complete total costing 		<ul style="list-style-type: none"> Finalise employment costing 	Facilitate recruitment against labour build-up	



Draft Social and Labour Plan

November 2007

Deliverable	Action						
	Conceptual		Pre-Feasibility		Feasibility	Implementation	
	2003	2004	2005	2006	2007	2008	2009 and onwards
Training schedule and costs		<ul style="list-style-type: none"> Identify training needs per category Identify training providers Obtain costing per training course 	<ul style="list-style-type: none"> Confirm training need per category Confirm training service providers, costs, training times, length of courses, facilities and lead times Estimate HRD budget forecast as per draft SLP 		<ul style="list-style-type: none"> Confirm all training and related infrastructure requirements and adjust costing Confirm financial provision for HRD as per final SLP 		<ul style="list-style-type: none"> Train new employees against training schedule
Availability of estimated accommodation requirement cost		<ul style="list-style-type: none"> Identify accommodation requirements, availability, suitability, costs, whether accommodation will be provided, where will be located if approved. 	<ul style="list-style-type: none"> Confirm whether accommodation will be provided Confirm accommodation requirements and costs Include accommodation plans in draft SLP 		<ul style="list-style-type: none"> Finalise accommodation costing as per final labour plan Update accommodation section in final SLP 		
Procurement Progression Plan			<ul style="list-style-type: none"> Draft procurement strategy Conceptualise local supplier analysis Integrate existing policies and procedures into draft SLP 		<ul style="list-style-type: none"> Commission local supplier analysis 		



Deliverable	Action						
	Conceptual		Pre-Feasibility		Feasibility	Implementation	
	2003	2004	2005	2006	2007	2008	2009 and onwards
Guidelines for contractors (SPESSE and SHE Pack documents)		<ul style="list-style-type: none"> Ensure that SPESSE document and SHE Pack is available Ensure legal compliance of labour legislation 	<ul style="list-style-type: none"> Update, revise and modify master SPESSE document and SHE Pack Ensure that SPESSE requirements form part of tender documentation Ensure alignment between SLP commitments and SPESSE documentation 		<ul style="list-style-type: none"> Ensure that SPESSE document is valid, appropriate to the project and signed off Ensure that SPESSE document requirements have been included in tender documents and made available for contractors 		<ul style="list-style-type: none"> Ensure that SPESSE document are available for contractors when they arrive on site
Facilitate induction and medical examinations for contractors' staff		<ul style="list-style-type: none"> Identify medical facilities and infrastructure in area which can provide pre-employment and routine medical examinations 	<ul style="list-style-type: none"> Undertake detail study of medical facilities and infrastructure in area which can provide pre-employment and routine medical examinations 		<ul style="list-style-type: none"> Obtain approval for medical services provider and arrange for necessary agreements 		<ul style="list-style-type: none"> Advise contractors where all medical examinations are to be undertaken
Potential risks and mitigation strategies		<ul style="list-style-type: none"> Identify potential risk areas from a HR perspective Identify potential impact on Anglo Platinum as well as local community Identify steps to mitigate potential risks 	<ul style="list-style-type: none"> Identify risks as per socio-economic study Confirms risks and impacts and develop strategies to mitigate 		<ul style="list-style-type: none"> Confirm potential risks and mitigation factors 		



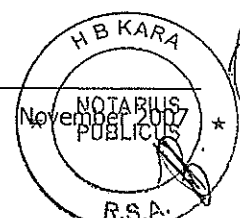
1.3.4 Contractor compliance

In terms of contractor compliance, the Company will include the MPRDA and Mining Charter as specific requirements in any tender process and contract documents for all contractors. Each contractual tender will include certain criteria as listed in the Charter and it will be expected that signatories will attach the Charter's provisions to specifications and it will be enforceable through contract compliance.

The Company is committed not only to enforce regulatory requirements but also to assist contractors in the development of their employees so as to comply with contractual requirements. The Company has a specific procedure in order to enable correct tendering of a project specific Contractor Social and Labour Plan. The procedure covers the requirements / specifications in terms of documentation and procedures to ensure that equal opportunities, non-discriminatory practices and a safe and healthy working environment are maintained for all employees. The following documentation and commitments therein must be provided with the tender submittal in order to assist with the evaluation in terms of compliance to the Social and Labour Plan and Mining Charter, which in turn will assist with the selection of contractors.

1. Details of the labour force and management organogram.
2. Provide a list of the different job categories for the project as well as competency requirements per job category. Also provide a plan regarding how all outstanding competency requirements will be met.
3. Provide an overview of the selection process that will be followed, when subcontractors and labour-hire contractors are selected and indicate which factors will be considered to be most critical when selection is made.
4. BEE and SMME documentation to be submitted with the tender:
 - a. The Company policy regarding support of small and/or medium enterprises;
 - b. Supply a list of SMME companies that the contractor is currently supporting in terms of its policy;
 - c. Brief overview of how the contractor intends giving effect to its SMME policy if awarded the contract.
 - d. The Company policy regarding black economic empowerment;
 - e. The Company objectives and targets for black economic empowerment;
 - f. Provide a brief overview of the system used to monitor achievement in terms of BEE objectives and targets; and
 - g. Brief overview of how the contractor intends giving effect to its BEE policy if awarded the contract.

It is acknowledged by the Company that contractors have their own employment procedures. However, it is expected that contractors should adhere to the project's broad employment framework as contained in this Social and Labour Plan and in the Mining Charter. It is of utmost importance that all contractors operating on the project have a very clear understanding of the requirements regarding employment on this project.



The following procedures will apply to all contractor personnel working on and employed by the Company:

Human Resources

1. Preference will be given to the employment of local residents in the project area.
2. No recruitment "at the gate" will be allowed.
3. The contractor will provide details of seconded labour to be employed to the Project.
4. The contractor will provide a record of each individual on site, amongst others and including:
 - a. Recruitment/home address;
 - b. Nationality and Language;
 - c. Race and Gender; and
 - d. Educational level/Qualifications.
5. The contractor shall ensure that local residents are trained to competently perform their required tasks and will be required to provide full details of training interventions, which will be implemented.
6. Contractors will supply complete labour build-up schedules immediately when information becomes available.
7. The Company will audit all employment practices.
8. The contractor will be obliged to submit monthly Employment Equity statistics and provide plans firstly, to ensure that women are employed and secondly, to ensure that Historically Disadvantaged South Africans (HDSAs) are employed in management levels.

Housing and living conditions

1. The contractor will be responsible for transport of all employees to and from the construction site, and the contractor shall comply with Company Policies and Procedures. Locally recruited labour should ideally not be accommodated, fed or transported, but it is recognised that there could be circumstances where this may become necessary.
2. Contractor housing will have to comply with Company Standards.
3. In terms of feeding, an outsourced catering Company (preferably BEE compliant) should provide feeding and will have to comply with Company Standards.

Downscaling and retrenchment

1. The contractor shall provide an undertaking to establish a Future Forum as per Regulation 46 (d) (i) within two years after the new mining right has been granted. The Future Forum should comprise of contractor representatives, BRPM/Styldrift management and workers or their representatives.
2. The contractor shall provide retrenchment, redundancy and relocation policies and procedures.

Should the contractor engage the services of a subcontractor, service provider or any other form of contractor in order to attend to certain work on the Styldrift Project on its behalf, the conditions and the implementation of the procedures mentioned above shall automatically apply to, and be binding

on all such subcontractors. It will be the duty of the contractor to ensure that its subcontractors observe the provision hereof.

Regular monitoring of compliance will be conducted by the project management personnel, whether by a team or an individual. The contractor must ensure that all findings made during such monitoring are "actioned" according to a formal action plan and within an acceptable timeframe.

The overall objective of all contractors must be to develop the capabilities of local communities and use them productively. To this end, contractors must demonstrate their commitment to this objective by making maximum use of local Small and Medium Enterprises, and Black Economic Empowerment Companies.

SECTION 2

2 HUMAN RESOURCES DEVELOPMENT PROGRAMME

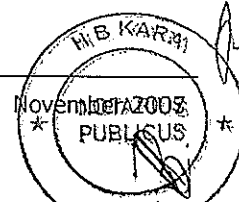
2.1 SKILLS DEVELOPMENT PLAN

Having established a potential labour scenario of the Styldrift Project future workforce, the Social and Labour Plan uses this information to provide the frame of reference within which to coherently address the regulatory requirements for the Human Resources Development (HRD) of the workforce.

Human Resources Development will be implemented as per BRPM's current strategy contained in this Social and Labour Plan and will specifically apply to the Styldrift Project's workforce that will commence with production in 2013. The contractor workforce, which will be operational from 2009, shall be guided by a SPESSE document and procedures as per the CONTRACTOR COMPLIANCE SECTION in this Social and Labour Plan. BRPM's policies and procedures will be adopted to ensure an integrative fit with coherent administration systems and governance. Relevant training will be provided either at the BRPM Training Centre or Anglo Platinum training centres depending on the type of training or capacity available.

The labour strategy for the planned operation during production is based on the employment of enrolled employees instead of contract labour. The proposed structures and labour complement are based on an analysis of the following information sources:

- a) Existing Fit For Future organizational structure templates;
- b) Mining design criteria based on the AP half model templates;
- c) Annual Production profile;
- d) Approved BRPM Conditions of Employment Policy;
- e) BRPM Job Grade Catalogue (2006); and
- f) BRPM Rate Schedule (2007).



This section of the Social and Labour Plan is structured according to Regulation 46 (b), and BRPM's HRD strategy and objectives follow this structure as outlined below:

Regulation 46 (b) (i)	Skills Development Plan
Regulation 46 (b) (ii)	A Career Progression Plan and its implementation in line with the Skills Development Plan
Regulation 46 (b) (iii)	A Mentorship Plan and its implementation in line with a Skills Development Plan and the needs of the empowerment groups
Regulation 46 (b) (iv)	A Bursary Plan and its implementation in line with the Skills Development Plan
Regulation 46 (b) (v)	Employment Equity statistics and the mine's plan to achieve more than 10% women's participation in mining and more than 40% HDSA participation in management within five years of the start of production at the mine

2.1.1 Proposed workforce

The Styldrift Project will include a new vertical shaft and a 230 000 tons per month concentrator that allows for full production of 2.76 million tons per annum. The mining method will be mainly mechanised with some conventional narrow reef mining methods after the first seven years of production. As earlier indicated, production will start in 2013 while full production to be reached in 2016.

Labour requirements for the Styldrift Project were estimated based on the fleet size and three shifts per day. Complements were estimated to operate and maintain the fleet of equipment. Other labour requirements were estimated relating to each section, such as supervision, and a provision for absenteeism. Management and other technical services were estimated to meet production requirements. Mechanised development labour requirements were established in a similar manner to the section mining (R&P) requirements. Equipment performance criteria, cycle times, and advance rates were calculated. A development suite of equipment was established with a capacity to advance approximately 200m per month. Labour requirements for the conventional scattered breast mining method were based on current BRPM labour templates and efficiencies.

The steady state labour complement for the 230 ktpm (base case) operation is calculated at 1 824 including leave provision for under ground production crews, as well as Concentrator labour and Central Management.

The permanent workforce for Styldrift (Table 4) builds up from 685 employees in year one (2013) to 1 824 employees at steady state production in 2016. The labour will include development, production and shaft service, which will be recruited and drawn from the local labour sourcing community while management and technical services will be provided by BRPM. A maximum labour complement of approximately 3 000 people is estimated to be reached in 2033 at Styldrift. The permanent employee numbers in Table 1 are based on requirements for the existing BRPM operation and the typical range of professions needed on a platinum mine of this nature. More detail is provided in the Human Resources Development section of this document.

Table 4 Labour Build-up Schedule per Activity

Activity	Number of people									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Feasibility Study										
Construction (contractor labour)										
1. Main Shaft										
2. Ventilation Shaft										
3. Concentrator and Tailings Facilities										
4. Waste Rock Dump										
Production (permanent employees)										
1. Production Section										
2. Ore Reserve Development										
3. Shaft Section										
4. Middle - Senior Management										
5. Human Resources										
6. Safety & Health										
7. Technical Services										
Total										

360	1 227	1 288	1 288	1 299
132	250	260	251	221
154	175	182	185	200
6	7	9	9	9
1	2	3	7	11
1	2	5	7	8
31	73	77	77	76
685	1 846	1 824	1 824	1 824

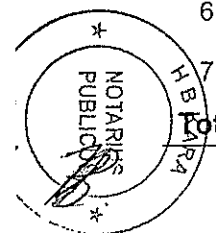
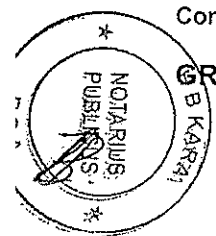


Table 5 Labour Build-up Schedule per Occupational Level

Occupational Level	Profession Types	BRPM Grade	Paterson Grade	Labour Forecast								
				2009	2010	2011	2012	2013	2014	2015	2016	2017
Senior management	Mine Manager / Functional & Technical Heads	SE1	E					1	1	1	1	1
Professionally qualified and experienced specialists and mid-management	Sub-Ordinate Manager / Technical Specialist / Overseers / Coordinators	MP3	D					5	6	8	8	8
	Mining Supervisors / Officers and Planners	MP2										
		MP1										
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Engineering Supervisors / Officers / Draughts person/ Supervisors /Technologists	SS2	C					121	290	261	261	261
	/ Artisans / Miners / Crew Captains / Assistants	SS1										
		AO2+										
		AO2										
		AO1										
Semi-skilled and discretionary decision-making	Team Leaders / Operators / Clerks / Team Supervisor Drivers / Admin Assistants/ Patrolmen / Eng Assistants	O3	B					258	779	733	733	733
	/ Multi Task Team / Attendants / Crews	O2										
Unskilled and defined decision-making	PTV's / Assistants Crews	O1 T	A					300	660	821	821	821
Total permanent employees								685	1 736	1 824	1 824	1 824
Contractor employees				382	382	382	382		110			
GRAND TOTAL								685	1 846	1 824	1 824	1 824



2.1.2 Recruitment at Styldrift

Attracting suitable skills to ensure operational readiness of the planned operations would be one of the major challenges of the Styldrift Project. The Styldrift Project will establish a transparent recruitment process with well-defined and communicated recruitment criteria. Recruitment offices will be located close to the villages while the exact number of positions available and the qualifications required will be advertised locally. The existing BRPM recruitment department will effect local recruitment. However, senior positions will be recruited via the Central Recruitment Manager.

BRPM has an agreement with the RBH that they will employ local employees wherever feasible which will apply to the Styldrift Project.

There will have to be recruitment of short-term contractors to support the construction of the project. All contracting companies will, as far as possible, recruit labour from the local communities through the recruitment offices in the villages and comply with BRPM contracts and policies as stipulated in Section 1.3.4.

The labour and recruitment plan in this Social and Labour Plan provides for Employment Equity and Mining Charter requirements to ensure sustainable development of the local communities in the area. In Sections 2.8 and 2.9 provisions are made for a minimum of 10% women and a minimum of 40% HDSA in the management structures through the allocation of specific positions to such candidates and the application of strict recruitment criteria. In terms of qualification to minimum recruitment criteria, the BRPM strategy is to move to an educated skilled workforce with the business language being English. This has led to the Group policy that restricts recruitment to a minimum criterion of Grade 10 (NQF 2) with English literacy for all employees.

2.1.3 Conditions of employment

It is assumed that remuneration will be based on the Total Package/ cost to the company concept, for skilled employees (C1 and above as per the Paterson Grading system). The total package would include payments such as but not limited to travel, accommodation, medical cover and insurances. A Regional Retention Allowance for C1 and higher positions will be included in the indicated labour rates, as per the BRPM Conditions of Employment policy. Labour Cost calculations are further based on the 75th percentile of the BRPM Rate Schedule, for each job category.

Payments on top of Total Package would be made for:

- a) Performance bonuses;
- b) Agreed overtime;
- c) Travel payments will be made for site call outs outside the recognised normal visits to site; and
- d) Agreed expenses.

The annual leave in the Total Package approach would be based on between 21 and 35 days per annum.



The conditions of employment for un-skilled labour will be based on a benefits package and is inclusive of a Housing Rent Subsidy of R 1 045 pm, as well as company contributions to the provident fund, medical aid and a 13th cheque.

2.1.4 Skills development at Styldrift

Human Resources Development will be implemented as per BRPM's current strategy contained in this Social and Labour Plan and will specifically apply to the Styldrift permanent workforce that will commence with production in 2013. BRPM is committed to ensuring that all its employees are given the opportunity of acquiring skills and competencies to achieve both individual and organizational goals in the context of the mine's operational and Local Economic Development (LED) objectives. This Skills Development Plan provide action plans and targets how the mine intends to offer its new future employees opportunities to become functionally literate and numerate; to participate in learnerships, skills development programmes and various other training initiatives; and to acquire portable skills.

The purpose of the Skills Development Plan will be to assess and formally record the levels of skills and education of all incumbent employees and to use the results as a base for future Skills Development Plans. These plans will address the skills and competency gaps on the mine and also provide for the training needs of HDSAs, the fast-tracking of individuals within the talent pool, and the various career paths and mentoring programmes.

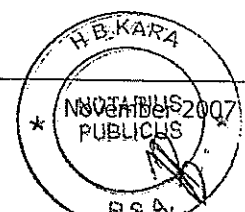
Proactive training will be provided in the use of new equipment as well as mechanised development. BRPM will ensure that the original equipment manufacturer (OEM) will train the operational personnel in the safe and efficient operation of the equipment provided. The OEM will also be required to conduct ongoing operating practice audits, on an ad hoc basis to ensure continued effective operation of equipment.

Most of the core training requirements will be undertaken on the BRPM mine. Other Anglo Platinum training centres will be utilized depending on the type of training or capacity available. People-development interventions aimed at attracting and retaining staff with the required competencies will remain a key focus area.

The contractor workforce, which will be operational from 2009, will be guided by a SPESSE document and procedures as per the CONTRACTOR COMPLIANCE SECTION in this Social and Labour Plan. BRPM's policies and procedures will be adopted to ensure an integrative fit with coherent administration systems and governance.

Employees at the Styldrift Project will also participate in various Anglo Platinum Group capacity building initiatives and training programmes to address operational skills needs:

- a) Mining Development – Refer to Sections 2.1.6, 2.1.7 and 2.4.1
Shift Supervisory Training, Mining Learnerships, Mine Overseer, Section Manager and Mine Manager Development Programme
- b) Engineering Development – Refer to Sections 2.1.6, 2.1.7 and 2.4.1
Learnerships, Foreman and Junior Engineer Development Scheme



- c) Fast Tracking – Refer to Section 2.4.1
Fast tracking programme for individuals on D Upper and E Band
- d) Bursaries & Graduates – Refer to Section 2.6.1
± 400 bursaries currently in Anglo Platinum Group - employment opportunities to Graduates
- e) Cadet Scheme – Refer to Section 2.6.3
Creating a pool of developed individuals to enable the Company to draw from pool once positions are available. The intention is to create a pool of developed Rock Drill Operators, approximately ± 30 per month, to enable new mining projects to draw from such a pool once positions are available.
- f) Woman in Mining – Refer to Section 2.8
Mining and Engineering Learnerships

The following **action steps** shall be taken once approval has been obtained to commence with construction of the mining operation:

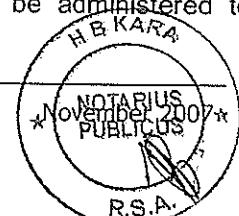
Table 6 Training Action Plan

Action step	Target date
Develop and align skills and competency requirements for proposed operation with BRPM Standards	June 2008
Conduct a skills audit within the surrounding local communities to ascertain skills availability and shortages within the community	July 2008
Conduct skills assessments amongst employees and contractors once people have been employed	Oct 2008
Appoint Skills Development Facilitators	March 2008
Provide technical, management and leadership training and education in line with BRPM guidelines, skills gaps and in line with HDSA in management targets.	Oct 2008

2.1.5 Adult Basic Education and Training (ABET)

The scorecard requirement is to offer every employee the training opportunity to become functionally literate and numerate. Functional literacy and numeracy has been defined by the Department of Minerals and Energy as ABET Level 4 or higher. This means that BRPM will offer all functionally illiterate employees the opportunity to attend ABET classes and achieve sufficient levels of functional literacy and numeracy.

Although the aim will be to employ literate employees it can be assumed that due to skills shortages a significant number of employees may be illiterate and therefore require ABET training. BRPM will use a standard assessment tool, RPL (recognition of prior learning), to identify functionally illiterate and innumerate employees, to assess the current level of literacy and numeracy at the mine more accurately and to monitor and track the levels of literacy and numeracy. This tool will include the delivery of a literacy and numeracy competency performance test that will be administered to



employees at the end of each leave cycle. In conjunction with these tests, a cognitive test will be carried out with each employee and the results will be used for the purposes of career planning, and for determining potential employees for mentorship and fast-tracking programmes. Those employees who are identified as being below ABET Level 4 will be offered the opportunity of attending ABET courses on an own-time basis. During these tests employees will be informed on the personal and career advantages of improving their educational levels. All assessments and examinations will undergo a stringent quality assurance process by legislative bodies such as the MQA.

Own-time attendance is when the learner attends ABET classes in his or her own time outside normal working hours. The majority of the employees who generally need ABET training work rotation shifts, which makes regular attendance problematic. BRPM will address this issue by building flexibility into the ABET timetable and scheduling the classes to suit the shift cycles. The following action plan provide actions steps and deliverables to implement ABET for the Styldrift Project should it be required.

Table 7 ABET Action Plan

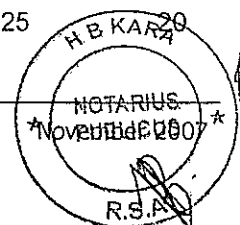
Action step	Target date
Develop and align skills and competency requirements for proposed operation with BRPM Standards	Done
Assess employees through LPCAT and LITNUM tests	July 2012
Set training targets and budgets and identify/source facilities	Oct 2012
Identify/source training facility and facilitators	Done
Identify service provider to provide training	Done
Secure commitment and buy-in from Unions and management	Nov 2012

2.1.6 Learnerships

Artisans and technicians will be trained at the Engineering Skills Training Centre which is based in Randfontein. In addition to engineering learnerships, BRPM will offer mining learnerships in line with MQA registered qualifications. These mining learnerships are provided internally and delivery complies with the MQA quality assurance requirements. Table 8 shows an indication of the number of learnerships that will be awarded over the next five years specifically for Styldrift.

Table 8 Learnership Targets

Learnership Type	Forecast				
	2008	2009	2010	2011	2012
Mining Learnerships	0	0	10	15	10
Engineering Learnerships	0	0	10	10	10
TOTAL	0	0	20	25	



The following **action steps** shall be taken once approval has been obtained to commence with construction of the mining operation:

Table 9 Learnership Action Plan

Action step	Target date
Develop a learnership plan in line with needs of proposed mining operation	Done
Ensure alignment with MQA quality assurance requirements	Done
Redefine learnership targets once feasibility has been completed	June 2008

BRPM will also ensure that its learnership strategy is inline with Company standards and Mining Charter commitments as set out below:

- a) Commitment of 80% HDSAs to be selected for these programmes;
- b) 20% of these HDSA learnerships will be reserved for women (see Table 21); and
- c) The remaining 20% will be allocated to Non-HDSAs.

2.1.7 Management and leadership development

To enhance performance at supervisory level, an appropriate development programme has been initiated at BRPM, covering areas such as personal and professional mastery, performance management, employee relations, safety and employee communications. In addition, the Anglo Platinum Development Centre continues to provide further leadership programmes for selected managers at various levels in conjunction with a leading South African business school. The interventions fall into various categories, detailed below:

- a) The junior management programme, which caters for less experienced managers; and
- b) The management development programme caters for middle-management development.

BRPM will take the following **action steps** once the mining operation is in production:

Table 10 MDP Action Plan

Action step	Target date
Identify high potential candidates from Supervisory and Junior Management ranks based on their performance and individual development progress	Jan 2010
Identify candidates during Career Development Panel sessions to attend further leadership programmes	Jul 2010
Identify specific individual needs during Individual Development Charter sessions that will be addressed through attending short programmes at the Anglo Platinum Development Centre	Dec 2010



2.1.8 Graduate Development Scheme

The Graduate Development Scheme, which forms part of the Young Professional Scheme, is aimed at filling critical skills gaps in BRPM's core activities. Anglo Platinum runs a number of graduate development programmes, for example the metallurgy graduate development programme, the mining graduate development programme, the human resources management graduate development programme and others. These programmes are well structured that allows graduates upon completion to be appointed into substantive positions at the various operations.

Graduate trainees are developed by means of the discipline specific Graduate Development Program for on average 18 months. During the Program, they are provided with basic training, exposure and courses which will enable them to gain the core competencies and knowledge required by Anglo Platinum. Every Graduate has an Individual Development Charter and an appointed mentor and is given bi-annual appraisals. BRPM will participate in this scheme by planning yearly for a number of Graduate Trainees per discipline to be engaged based on the staffing and HDSA targets for the next 5 years.

2.1.9 Portable skills training

BRPM recognises that its operation has a limited life span and that the demands of the business could require a reduction in human resources in the future. As part of its corporate social responsibility, BRPM intends to equip the future work force – as well as members of the community – with portable skills that will benefit the individuals concerned. These initiatives will be aligned to the North West Province's Provincial Growth and Development Strategy.

BRPM will take the following **action steps** once the mining operation is in production:

Table 11 Portable Skills Action Plan

Action step	Target date
Conduct assessments amongst employees and contractors to establish portable skills requirement in terms of employee demographics and needs	Jan 2012
Send letter to identified employees indicating the various opportunities to develop portable skills	March 2012
Develop portable skills target plan with budgets and training schedules	Jul 2012
Determine procedures and methodology of training in terms of frequency and duration	Aug 2012
Develop portable skills strategy inline with life of mine and future downscaling exercises	Dec 2012



2.2 THE NUMBER AND EDUCATION LEVEL OF STYLDRIFT EMPLOYEES

As there are currently no employees at this operation, Form Q, which details the levels of education of all employees at Styldrift will be submitted in 2013.

2.3 THE NUMBER OF VACANCIES THAT STYLDRIFT HAS BEEN UNABLE TO FILL

BRPM will analyze the human capital requirements per discipline annually to determine scarce skills and to develop relevant action plans such as graduate development programmes and bursaries.

2.4 CAREER PROGRESSION PLANNING

2.4.1 Career Progression Plan for Styldrift

This section describes an intended throughput and upward career mobility of talent pool employees through the various job levels with the aim to staff the Business Plan requirement and reach Employment Equity Targets set by the mining operation.

BRPM has developed generic competency matrices per job and career path matrices (flow charts) for every discipline within its operations and which will be applied at Styldrift. The flow charts for each occupation will guide the Project and its employees on a desirable path for career progression and the expected time frames necessary for achieving the various job levels after the qualification criteria are met (see Appendix - 6.2).

Role descriptions are outlined with respect to minimum job entry requirements, desirable qualifications, relevant courses and the required duration to complete each step in the recommended career path for each position. Consideration is given to complexity, qualifications, previous experience and competence.

BRPM will implement discipline-specific HDSA training and development programmes for HDSA talent pool employees to fast track them in line with career paths. Figure 4 below shows BRPM's current career progression process for talent pool employees specifically to the core mining and engineering disciplines. Similar career progression plans for the other disciplines have been introduced in accordance with the career paths as illustrated in Appendix 2.

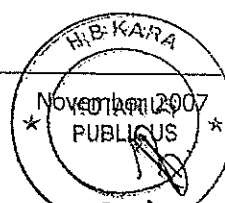
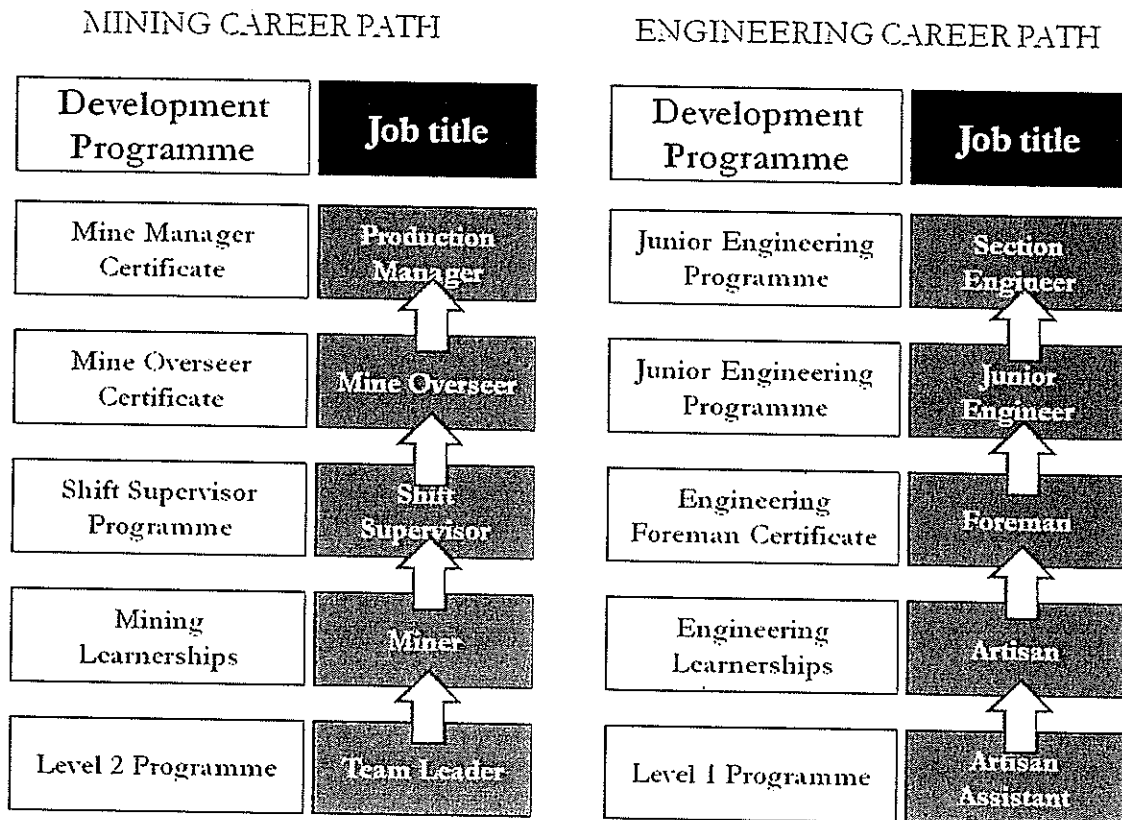


Figure 4 Career Progression Plan – Mining and Engineering

The first level of supervision in the mining career path is that of a team leader. The Level 2 Programme aims to develop all the required knowledge and skills as per the daily mining cycle. Successful candidates will be appointed as team leaders. Identified candidates will have an Individual Development Charter (IDC) and with an assigned mentor. The next requirement to be promoted to the next level as a miner is a blasting certificate. Candidates will be on full-time programmes to obtain the blasting certificate as well as the accompanying skills and exposure to be appointed as a miner.

To be appointed as a shift supervisor, a miner must obtain a shift supervisor certificate. This requires a special development programme and exposure to stoping, development, night shift cleaning, construction and other special projects. To be appointed as a mine overseer, the entry level to management, an experienced shift supervisor must obtain a mine overseer certificate. Shift supervisors who have potential are given full-time training to enable them to pass their mine overseer certificate exams. The final required certificate of competence i.e. a mine manager certificate must be obtained to be appointed as a section manager with further promotion opportunities as a production manager and final a mine manager. A special programme is provided for across the Group at Central Level to meet HDSA targets at Senior and Top Management.

In terms of the engineering path in Figure 4 the entry level into the engineering discipline is an artisan assistant. The Level 1 training programme aims to develop engineering employees as artisan assistance.

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The Company acknowledges the scarcity of engineering skills in South Africa and has increased the number of engineering learnerships drastically across the Group. Artisans require a foreman certificate to be appointed as a foreman. The Company has embarked on a special engineering foreman certificate training programme at all operations. To be appointed as an engineer the candidate requires a Government Certificate of Competence (GCC Mining). This programme is aimed at developing young engineers who just acquired their relevant educational qualifications and preparing them to pass their GCC Mining exams.

In support of the above process BRPM will every six months review the individuals' performance and progress of development against the Individual Performance Agreement and Individual Development Charter. Mentorship will be a crucial component of any fast-track plan and the following section provides details of BRPM's future mentorship plan. Table 12 provides an action plan to implement a career progression plan for the Styldrift Project.

Table 12 Career Progression Action Plan

Action step	Target date
A preliminary career progression plan for those future employees that are earmarked to assume management roles at the new Styldrift Mine with a specific focus on the representation of HDSAs in management positions	March 2009
A detailed career progression plan for talented employees identified during the first year or two years of production with the aim to ensure employment equity as well as succession targets are met	Jan 2014

2.5 MENTORSHIP PLAN

2.5.1 Employee mentorship programmes

Mentorship is a key process and tool in support of people development, equity, HR planning, and performance management at BRPM. In addition, mentorship supports BRPM's career and succession management system. It provides for a transfer of knowledge, work and life experiences under the formal or informal guidance of selected suitable individuals and competent role models who act as mentors.

Mentorship will be a crucial component of any fast-tracking plan and will be integrated into the Styldrift Project's career and management succession process to provide a mechanism for competency transfer. In this way, HDSA individuals will acquire the required competencies as well as work and life experience under the guidance of competent role models who act as mentors.

The implementation of a mentorship programme will be aligned with the respective skills development plans for each discipline and will meet the specific needs of all employees and HDSA empowerment partners.



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Table 13 provides an action plan to implement a formal mentorship programme and to establish mentorship relationships for all employees in the various training and development programmes aimed at reaching the Employment Equity targets as well as meeting the staffing requirements for the future.

Table 13 Mentorship Action Plan

Action step	Target date
Develop mentorship strategy inline with BRPM's Mentorship Policies and Procedures	Jan 2012
Ensure compliance with legislative requirements	Jul 2012
Select mentors carefully by assessing line and senior management's aptitude to be mentors	Sept 2012
Assigning and record mentee/mentor relationships	Sept 2012
Develop mentee and mentoring training schedules and targets	Nov 2012
Registered mentees and mentors participating in the mentorship programme to attend mentorship training courses	Dec 2012
Mentors and mentees on a formal programme to participate in an intervention to ensure proper matching and expectation clarification	Dec 2013
Develop and sign agreements for formal mentorship that will specify each party's expectations and commitments	Jan 2013

Mentorship will apply to all young professionals including graduates and diplomats, HDSA talent pools and identified individuals who are assigned to the formal mentoring programme. Needs identified as a consequence of the mentorship relationship, will be reported to the direct supervisor via the mentee and included in the IDC. The mentorship system will be reviewed regularly to ensure the effectiveness and efficiency of the mentoring system. Employees that are not participating in the mentorship programme will be developed via standard development mechanisms, including relevant coaching by supervisors.

2.5.2 External mentorship programmes

With regards to external mentorship, BRPM will follow the Company guidelines, which cover three different categories of mentoring. These are briefly discussed below.

Equity or joint venture (JV) partners

Anglo Platinum and Royal Bafokeng Holdings (RBH), through their respective subsidiaries, RPM and RBR jointly own BRPM and Styldrift. RBH is an established investment holding company with investments in various sectors, including resources, industrials and financial services. The resources team within RBH works closely with Anglo Platinum in the management and supervision of the Joint Venture, resulting in an exchange of information, knowledge and experience.



Suppliers of goods and services

A structured programme for all suppliers of goods and services to the Styldrift Project will be developed and will include:

- a) Acceptable marketing practices;
- b) Tender notifications and information gathering;
- c) Tendering procedures;
- d) Quality control;
- e) Invoicing procedures; and
- f) Principles of good business management and corporate governance.

Furthermore, Anglo Platinum will develop a facility to actively inform all its HDSA suppliers of Company tenders that may be of interest to them. A generic website of tenders will also be constructed. Letters will be drafted to all suppliers of goods and services offering mentorship programmes for directors and senior executives of HDSA suppliers. The letters will request acknowledgement of the offer and an indication of acceptance or refusal.

Small business and local economic development

BRPM will appoint a Business Development Officer (BDO) to mentor small, local businesses wishing to solicit trade from the mine. The BDO will ensure their access to opportunities and will mentor them in general business practice.

2.6 THE INTERNSHIP AND BURSARY PLAN

2.6.1 External bursary scheme

The bursary scheme will be managed at Anglo Platinum Group level, while the internship programmes will be managed at mine level. Anglo Platinum has a well-established bursary scheme orientated towards the development of suitably qualified and competent people who, upon graduating, will be afforded professional career paths in the Company. Through this comprehensive and attractive bursary scheme, Anglo Platinum will develop its own young professionals. The emphasis of this scheme will be to identify high-potential young HDSA candidates. The Young Professional Schemes, which will consist of a Bursary Scheme and a Graduate Development Schemes (see section 2.1.8), are aimed at filling critical skills gaps in Anglo Platinum's core activities (see Hard-to-fill vacancies in Section 2.3). Accordingly, the Group will direct significant resources towards these schemes in terms of both direct financing and staff support.

Bursary needs have been determined for the Styldrift Project and the following table provides an indication of the type and number of external bursaries that will be made available over the next five years.



Table 14 External Bursary Targets

Discipline of bursary	Forecast				
	2008	2009	2010	2011	2012
Mining engineering	0	0	3	3	3
Metallurgical engineering	0	0	2	2	2
Electrical and mechanical	0	0	2	2	2
Geology	0	0	1	1	1
Rock engineering	0	0	1	1	1
Finance and accountancy	0	0	2	2	2
Mine ventilation	0	0	1	1	1
Mine surveying	0	0	1	1	1
TOTAL	0	0	13	13	13

The following **action steps** shall be taken once approval has been obtained to commence with construction of the mining operation.

Table 15 External Bursary Action Plan

Action step	Target date
Redefine bursary requirements once feasibility completed and final employee figures confirmed	Done
Align bursary requirements with skills gaps and potential as identified in community skills audit	Aug 2009
Consultations with Anglo Development Centre (ADC) in terms of budgeting and administration requirements	Aug 2009
Advertise bursary opportunities with details of minimum selection requirements to the broader public targeting the mine communities in particular.	Nov 2009
Assess all new bursars in terms of readiness for full-time tertiary study and their suitability for the chosen career. Based on this assessment, they will be either routed into the Exposure Year ¹ or be channelled into full-time tertiary study.	Dec 2009

BRPM will also ensure that its bursary strategy is inline with Company standards and Mining Charter commitments as set out below:

- a) Commitment of 80% HDSAs to be selected for bursaries; and
- b) 20% of these HDSA bursaries will be reserved for women (see Table 21).

¹ The Exposure Year is a bridging programme designed to ensure that the candidate can cope with the rigours of tertiary education.

The highest calibre of young professionals will be attracted to meet the Styldrift Project's staffing and Employment Equity requirements. This area is regarded as one of the Group's strategic priorities, particularly in light of the chronic skills shortages in the South African mining industry.

The minimum selection requirement for Grade 12 learners will be a D or C in mathematics and science. Candidates who meet the necessary academic requirements but who do not wish to undertake full-time tertiary studies will be offered more practically orientated bursaries in mining, mine ventilation and occupational hygiene.

2.6.2 Internal bursary programme

BRPM recognises the importance of developing its most important resource, viz. its workforce. In addition to skills development, BRPM also recognises that tertiary development contributes to having a well-educated workforce. It therefore will provide employees with bursaries to give them the opportunity to obtain recognised tertiary qualifications in line with their occupations. The internal bursary programme will continuously be aligned with the requirement of business, depending on the future requirements in terms of representation of HDSAs through the Mining Charter.

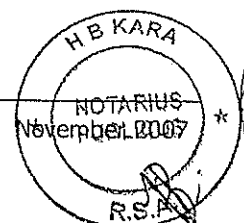
The following procedures will apply:

- a) Internal bursaries will be offered to all employees to encourage them to progress their careers;
- b) The Project will grant such internal bursaries provided that the course of study is relevant to the employee's current and future roles within the Company;
- c) The identification of candidates will be guided by the succession planning and career management processes per discipline;
- d) The final approval of internal bursaries for identified employees and/or employees who apply will be done by their immediate supervisor and head of department in consultation with the HRD manager and any other relevant subject matter expert; and
- e) Such studies are to be undertaken through institutions recognised by the Company.

2.6.3 Internship programme

The current BRPM Internship Programme consists of different programmes aimed at giving learners accelerated exposure as part of their development programmes. Such programmes vary from giving exposure to prospective employees, to students requiring practical experience towards their qualifications. Some of the experiential programmes are aimed at the development of potential employees.

Full-time study at a tertiary institution is integrated with periods of practical training (as part of study programmes or during holiday breaks), and a graduate training phase. This is intended to equip the young professionals with all they will need to translate their previous development into top-class performance in the workplace.



The Company's cadet programmes (such as the Rock Drill Operator Cadetship) are aimed at developing talent amongst unemployed members of the surrounding communities, to be engaged as and when required. One of the Anglo Platinum operations, Union Mine, had been able to recruit and train people from the immediate area who were prepared to be rock-drill operators. As a result Anglo Platinum established a **rock-drill academy**, which will provide people who are able to fulfill both the traditional rock-drilling role and the new role with the in-stope rig.

BRPM will therefore source local people with the aim to create a pool of developed Rock Drill Operators, to enable the new Styldrift mine to draw from a pool once positions are available.

Table 16 Cadet Programme Targets

Category	Forecast				
	2008	2009	2010	2011	2012
Rock Driller Operator Cadetship	0	0	0	0	80

The following **action steps** shall be taken once approval has been obtained to commence with construction of the mining operation.

Table 17 Internship Programme Action Plan

Action step	Target date
Develop internship strategy and targets for the operation once production has commenced	Jan 2012
Offer learners in the mine community the opportunity to visit the operations with the objective to learn about the various careers available in the mining industry	Bi Annually from 2013

2.7 EMPLOYMENT EQUITY: FORM S

The following information provides an indication of the anticipated employment equity scenario at production in 2017 – five years after production started.

Table 18 Employment Equity Statistics, as per Form S in Annexure II of the MPRDA Regulations

Occupational Level	Paterson Band	Male		Female		Total	
		Black*	White	Black*	White	Male	Female
Top management**	F	0	0	0	0	0	0
Senior management	E	1	0	0	0	1	0
Professionally qualified and experienced specialists and mid-management	D	3	3	1	1	6	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	C	139	83	30	9	222	39
Semi-skilled and discretionary decision-making	B	620	18	90	5	638	95
Unskilled and defined decision-making	A	705	6	100	10	711	110
Total permanent employees		1 468	110	221	25	1 578	246

*Black refers to African, Coloured and Indian

**Note that the top management category refers to personnel at Director Level, which are employed at Head Office.

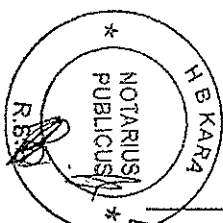


Table 19 Targets for Female Participation in Mining at Styldrift

Employment Level	2013		2014		2015		2016		2017	
	%	No	%	No	%	No	%	No	%	No
E Senior management	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
D Middle management	20.0	1	16.7	1	25.0	2	25.0	2	25.0	2
C Junior management	10.7	13	11.4	33	13.0	34	14.2	37	14.9	39
B Semi-skilled	10.5	27	10.9	85	11.9	87	12.6	92	13.0	95
A Unskilled	10.0	30	10.9	72	11.2	92	12.2	100	13.4	110
Women in mining	10.4	71	11.0	191	11.7	215	12.7	231	13.5	246
Total employees		685		1 736		1 824		1 824		1 824

Table 20 Targets for HDSA Participation in Management

Employment Level	2013		2014		2015		2016		2017	
	%	No	%	No	%	No	%	No	%	No
E Senior management	0.0	0	0.0	0	0.0	0	100.0	1	100.0	1
D Middle management	60.0	3	66.7	4	62.5	5	62.5	5	62.5	5
Total HDSAs in management	50.0	3	57.1	4	55.6	5	66.7	6	66.7	6
Total mine management		6		7		9		9		9
C Junior management	57.9	70	58.6	170	65.9	172	67.0	175	68.2	178
B Semi-skilled	89.1	230	93.7	730	96.9	710	97.5	715	97.5	715
A Unskilled	96.7	290	98.5	650	98.7	810	99.3	815	99.3	815
Total HDSAs at operation	86.2	594	89.5	1 554	93.0	1 697	93.8	1 711	94.0	1 714
Total employees		685		1 736		1 824		1 824		1 824

Percentages per Level (Paterson Band) represent the percentage of women or HDSAs of the total number of employees within that specific Level.

Rounding in tables where percentages are reflected may result in computational discrepancies.

2.8 WOMEN IN MINING

2.8.1 Styldrift Gender Equity targets

The Project is committed to the socio-economic empowerment of people who were previously disadvantaged and believes that Gender Equity is critical to economic growth and wealth creation in South Africa. Furthermore, the Project recognises that sustainable business performance relies largely on the effective and equitable utilisation of human resources.

BRPM will make every effort to ensure that a minimum of 10% women are employed in mining starting production in 2013. Table 19 indicates targets for women in mining.

2.8.2 Strategies and objectives

BRPM will implement the following Company Mining Charter strategies to enhance female representation and to achieve the targets as per the table above. These strategies include:

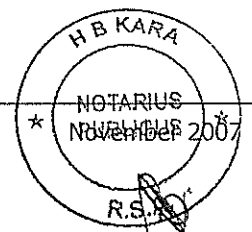
- Reserved positions in mining that women could fill (plan to recruit 20% women of all new recruit based on a 10% annual attrition rate);
- Recruit 20% women in all learnerships, graduate trainees and bursars
- Programs for female employees with potential (plan to enrol 20% female candidates in supervisory and management development programmes);
- Measures to sustain an enabling environment for empowering women; and
- Women committees to evaluate the quantity and quality of the necessary facilities such as change houses and female-only ablution facilities on surface and underground

2.8.3 Implementation plan

Table 21 below indicates the planned number of women to be trained and developed to meet the targets set by BRPM.

Table 21 Training and Development of Women

Specific interventions for women	Number of women				
	2008	2009	2010	2011	2012
Learnerships	0	0	7	7	7
Bursaries	0	0	5	5	5
Cadetships	0	0	0	0	20



2.8.4 Challenges and action steps

The challenges in achieving and sustaining the targets outlined in Table 19 are indicated below:

- a) Dominance of male employees provides an intimidating environment for women coupled with fears of sexual harassment;
- b) Availability of women with mining skills remains a challenge;
- c) Heat-tolerance tests for women return less favourable feedback during medical assessments and limit the number of women qualifying to work underground; and
- d) Overall, positions suitable for women, considering the inherent requirements of the job, still need to be clearly identified, understood and explained to all stakeholders in the business.

The following actions plans will be implemented to address these challenges:

Table 22 Women in Mining Action Plan

Action step	Target date
Implement targeted recruitment and special education, training and development interventions	Jan 2011
Identify the training and technical needs of women miners and organise the resources required to meet these needs	Dec 2013
Identify potential female employees who have demonstrated an interest and ability to further their careers in mining	Jan 2014
Place selected, high-performing female employees on job rotation/fast-track career development	Mar 2014

2.9 HDSA PARTICIPATION IN MANAGEMENT

2.9.1 HDSA in Management targets at Styldrift

The Company Employment Equity policy is an integral part of the mine's commitment to building an effective and representative workforce, to ensuring equality for all employees and it forms an essential element of the Company's Human Resources Strategy. BRPM will enhance this Employment Equity vision through attracting high-calibre staff, encouraging development through the provision of high-quality education and retaining talent. Particular effort will be directed at identifying HDSAs with talent, and providing accelerated training and development initiatives to assist their progression.

BRPM will develop a demographically representative talent pool that will ensure effective career and succession planning to retain talent. It will also implement a sound mentorship programme to create a workplace that will support and respect all employees' values and cultures. The Mining Charter requires a target of 40% HDSA participation in management levels by the year 2009, and this document provides strategies to ensure that this target will be exceeded by 2017. Table 20 illustrates the Employment Equity targets of Styldrift.



2.9.2 Strategy and objectives

BRPM will implement four main strategies to ensure that its Employment Equity targets are realistic and achievable at Styldrift. These will be to:

- a) Develop HDSA employees with potential;
- b) Fast-track HDSA high flyers;
- c) Recruit HDSA's externally for qualified staff, trainees and bursars; and
- d) Retention of existing staff.

2.9.3 Implementation plan

Providing training and development for HDSA candidates

BRPM will implement the following initiatives at Styldrift to train and develop HDSA candidates for management positions:

- a) Filling vacancies on a contract/temporary basis until suitable, qualified candidates are developed;
- b) Providing experiential training through coaching and mentoring;
- c) Building management capacity through pre-employment training, targeted in-house training and development programmes from executive development through to technical training;
- d) Giving HDSA employees operational exposure through an initiative which is practical in orientation. The learning is further enhanced by the current acting-position system where talented subordinates occupy positions for their superiors during the superiors' absence. The approach is being used in learning initiatives such as shift supervisor, mine overseer and apprentice learnerships, LOTCs (graduates), pre-employment training, blasting certificate training, mission-directed work teams, Individual Performance Agreements (IPAs) and performance reviews;
- e) Consulting with the MQA and training service providers to accelerate and enhance training programmes for HDSAs;
- f) Appointing HDSA candidates into vacancies on a contract/temporary basis so that they can gain experience until such time as they, or other suitably qualified candidates, are competent enough to be permanently appointed to the positions in question; and
- g) Providing *ad hoc* vacation work for graduates/diplomates to gain experiential training.

Developing and fast-tracking of HDSA candidates

The previous lack of experience and scarcity of skills that are required by the mining industry means that HDSA candidates will need to be developed and fast-tracked to enable the mine to reach its HDSA targets in more senior management positions. Of crucial operational importance is that HDSA candidates are suitably qualified for the positions into which they will be appointed. A comprehensive education, training and development strategy is one of the critical success factors for achieving the objectives of any HDSA fast-tracking training plan. The interventions will focus on building skills and competencies that have been implemented to fast-track the required number of HDSA candidates in the core disciplines of mining and engineering.

Creating additional employment opportunities

One of the major challenges facing the Styldrift Project is to ensure that opportunities are in place for the career advancement of HDSAs. As various factors impact on the viability of the mine, including

the value of the South African Rand, fluctuating commodity prices, housing availability and increased costs – the mine's employment figures correspondingly contract and expand. The potential for opportunities, therefore, is often unpredictable and sometimes limited. The Recruitment, Assessment and Selection Policies address gender and HDSA equality in the recruitment process. BRPM is committed to follow the procedures in support of meeting its targets.

External recruitment strategy

As Styldrift will be a new mining operation it will force the Company to aggressively recruit staff to meet the objectives of the regulations promulgated in the MPRDA. An achievable HDSA recruitment strategy with measurable targets will be developed by the Project. External recruitment will target qualified staff on the one hand, and graduate trainees and bursars on the other.

2.9.4 Action steps

The action plan is in line with the Career Progression Action Plan in Table 12.

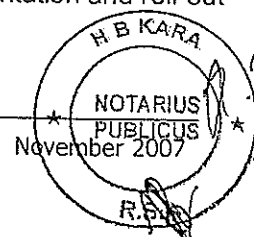
2.9.5 Understanding the effect that the spread of HIV/AIDS among existing staff could have on meeting targets

HIV/AIDS in the mining industry has reached epidemic proportions. The continued prevalence of single-sex hostels remains a contributing factor to the spread of HIV/AIDS among miners and their families. BRPM will consider the implications of HIV/AIDS on the future workforce, with the intention of integrating an HIV/AIDS component into its recruitment and policy practices. The mine will pursue the following interventions to address this challenge:

- a) Introducing a HIV/AIDS education strategy;
- b) Provide workers with access to a comprehensive care, management and treatment support programme for HIV/AIDS as well as related infections, particularly tuberculosis and sexually-transmitted infections;
- c) Promote and distribute condoms at the workplace;
- d) Increasing the capacity for care and counselling; and
- e) Intensifying the application of the Anglo Platinum counter-strategy and widening the focus to include white employees.

Working with trade unions to fight HIV/AIDS in the workplace

The seven trade unions and staff associations, which represent 83% of the Group's workforce, signed an historic HIV/AIDS agreement with Anglo Platinum in November 2002. It was reviewed and revised in 2006. The negotiated agreement encourages a partnership between Anglo Platinum and its stakeholders in developing and maintaining responsible and effective programmes that minimise the impact of HIV/AIDS in the workplace. Since the signing of this Partnership Agreement, the HIV/AIDS Joint Working Group (JWG) has met monthly to give substance to the clauses in the Agreement. JWG members are representative of all stakeholders and revert to their constituencies before any item is ratified in the JWG meetings. All recommendations, once finalised by the JWG, are referred to the Central Partnership Forum (CPF), after which they will be distributed through the usual employee-relations channels for implementation. BRPM's current HIV/AIDS Committee Serves as a forum and working group to enhance involvement and participation at all levels in the implementation and roll-out process.



Providing information and education in the workplace

Information and education, in various media (one-on-one, print, electronic, groups) is the foundation of preventive, promotive, curative and rehabilitative care. Accordingly, it is provided on an ongoing basis, and according to the strategic requirements, to all job categories to ensure adequate understanding of the complexities of HIV/AIDS and of working with colleagues who are infected and/or affected. Through various communication platforms, information regarding HIV/AIDS-related issues and activities will be distributed and communicated, which will include the following:

- a) Fact sheets, booklets and posters (on HIV transmission, working with HIV-positive employees, employee rights and access to medication and treatment) will be provided in regional languages. The print media will be used to reinforce the work done by peer educators and to amplify the billboard messages. All employees will be targeted, including board members, management, trade union representatives and SHE officers, as well as members of surrounding communities;
- b) Community radio is strategically utilised to ensure that the core components of the HIV/AIDS education reaches all employees, their families and members of the surrounding community; and
- c) Volunteer peer educators, the foundation of the education process, will be identified, trained and deployed to discuss various HIV-related issues with colleagues in an effort to bridge literacy problems. Peer educators will attend monthly meetings and refresher training to ensure they are up to date with current information.

Providing a comprehensive care and support programme

BRPM will provide workers with access to a comprehensive care, management and treatment support programme for HIV/AIDS as well as related infections, particularly tuberculosis and sexually-transmitted infections. The Project will provide:

- a) Accelerated prevention of new infections and re-infections, including post-exposure prophylaxis for employees involved in mine accidents, rape survivors and healthcare workers;
- b) Treatment for opportunistic infections and re-infection, which includes counselling and voluntary testing; tuberculosis prophylaxis; STI management; monitoring of HIV disease progression; a continuum of counselling, education and psycho-social support; provision of nutritional support; and specialised care and referral, including ART medication when clinically indicated. Traditional health practitioner services will be incorporated once a policy directive is received; and
- c) Rehabilitative care and support, including referrals. Where ART fails or the employee becomes incapacitated due to another serious medical condition, support will be provided to facilitate home-based care and follow-up support. The agreed medical incapacitation procedures will apply. Support will be provided including:
 - i. Access to step-down facilities that work closely with the hospital;
 - ii. Referral to care centres such as LifeLine, Hospice, home-based care NGOs etc; and
 - iii. Utilisation of services outside the Company's healthcare programmes, e.g. social services, community clinics, pastoral services and legal aid.

SECTION 3

3 LOCAL ECONOMIC DEVELOPMENT PROGRAMME

3.1 THE SOCIAL AND ECONOMIC BACKGROUND OF THE AREA IN WHICH STYLDRIFT OPERATES

The Styldrift Project is located in the North West Province, commonly known for its large mining sector and its rich platinum and gold reserves. The North West Province is divided into seven districts of which the Bojanala Platinum District is one. The Bojanala District is further divided into five municipalities, namely; Kgetleng River, Madibeng, Moretele, Moses Kotane and Rustenburg.

Styldrift is situated approximately 38km north of Rustenburg in the Rustenburg Local Municipality. It is this general area that will form the basis of this community profile.

The new mine will be developed on the Royal Bafokeng Nation (RBN) land and a surface lease agreement regulates the lease of land. Four local villages that form part of the RBN are adjacent to the mine namely Rasimone, Robega village (of which part falls on State land) Chaneng and Mafenya villages. Mafenya also represent 180 relocated household families that were moved from Rasimone village as a result of the mine proclamation.

3.1.1 Socio-economic profile of the North West Province

North West Province is one of the smaller provinces of South Africa, with a population of 3.4 million people in an area of 116 320km². The Province has strong economic links with Gauteng Province and attracts many visitors to view its wildlife and to enjoy a climate conducive to outdoor life.

The provincial capital is Mafikeng and the larger towns are Klerksdorp, Orkney, Potchefstroom, Rustenburg and Brits. North West Province boasts modern industrial parks and commercial centres accompanied by sophisticated banking and financial services. The Province also has good educational and health facilities in the major commercial centres. Mining plays a dominant role in the economy of North West Province, employing a quarter of the labour force and contributing some 55% of its Gross Geographic Product (GGP).

A variety of minerals are mined, including:

- a) Platinum in Rustenburg and Brits;
- b) Gold in Orkney and Klerksdorp;
- c) Diamonds in Lichtenburg, Koster, Christiana and Bloemhof;
- d) Marble in Taung;
- e) Granite in Rustenburg; and
- f) Fluorspar in Zeerust.



In addition to mining, agriculture is one of the most important sectors in the Province with maize, sunflowers and groundnuts being the biggest crops. The North West Province currently offers numerous investment opportunities in tourism, eco-tourism, mining, manufacturing and agriculture.

3.1.2 Socio-economic profile of the Rustenburg Local Municipality

Rustenburg Local Municipality is located in the centre of the Bojanala Platinum District with Madibeng Local Municipality (Brits area) to the east, Moses Kotane Local Municipality (Mankwe/Madikwe area) to the north, Kgetleng Rivier Local Municipality (Swartruggens/Koster area) to the west and the Province of Gauteng to the south. There are 48 towns and settlements situated within Rustenburg Local Municipality. The town of Rustenburg (known as the Platinum Capital) and Thlabane are the main economic centres of the municipality. Within a distance of 20km from Rustenburg lie the four large residential urban areas of Phokeng, Luka, Kanana and Thekwane. These areas are to a great extent dependent on Rustenburg for employment and retail activity.

Rustenburg and Thlabane constitute the largest centres of population concentration, employment opportunities and shopping facilities. The majority of the population of Rustenburg Local Municipality lives within Rustenburg and the four residential areas mentioned above. According to the 2001 census, Rustenburg Local Municipality had a population of 395 538, with 87.3% being black African. The 2007 Community Survey indicated a 2.5% population growth for the North West Province since 2001, with an estimated population of 405 426 people for the Rustenburg Local Municipality in 2007. Rustenburg Local Municipality experienced a steady migration into the area, particularly in the vicinity of the mines. The gender profile for the municipality in 2001 was 53.7% male and 46.3% female. The municipality had an unemployment rate of 32%.

3.1.3 Socio-economic profile of the mine community

Although the mine community is defined as those towns, villages and settlements that fall within a 50km radius or greater, if appropriate of the mine, the focus of the next section will be on the immediate villages of Chaneng, Mafenya, Robega and Rasimone also known as Macharora.

BRPM and Styldrift are situated on the farms, Boschkoppe and Styldrift respectively, which is held by the Royal Bafokeng Nation. A surface lease agreement regulates the lease of land. Four local villages that form part of the Royal Bafokeng Nation are adjacent to the mine namely Rasimone, Robega village (of which part falls on State land) Chaneng and Mafenya villages. Following the municipal demarcation process, virtually the whole Bafokeng Region now falls within the jurisdiction of the Rustenburg Local Municipality and entirely within the area of the jurisdiction of the Bojanala Platinum District.

The villages of Rasimone and Robega are situated in the BRPM mining lease authorisation area, while the town of Chaneng is situated in the Styldrift prospecting lease area. The village of Mafenya represent 180 relocated household families that were moved from Rasimone village as a result of the mine proclamation. These four villages also constitute Ward 2 as demarcated during Census 2001. The Joint Venture Agreement details that RBA must make the surface rights available to BRPM and Styldrift for the mining operations as required.

Population

The population of Ward 2 was estimated at 12 715 people in 2001. Chaneng is by far the largest of the three key villages (Rasimone, Robega and Chaneng) with about 9 900 residents in 2001 of which 48.9% were economically active. Almost 20% of the economically active inhabitants of Chaneng were employed in mining, with the majority employed by the wholesale and retail sector. In terms of population density, Chaneng is equal to that of Robega with approximately 1 500 people per km². Rasimone is far less populated with only 680 people per km². There were approximately 3 to 4 people living in each household in all three of the villages in the year 2001.

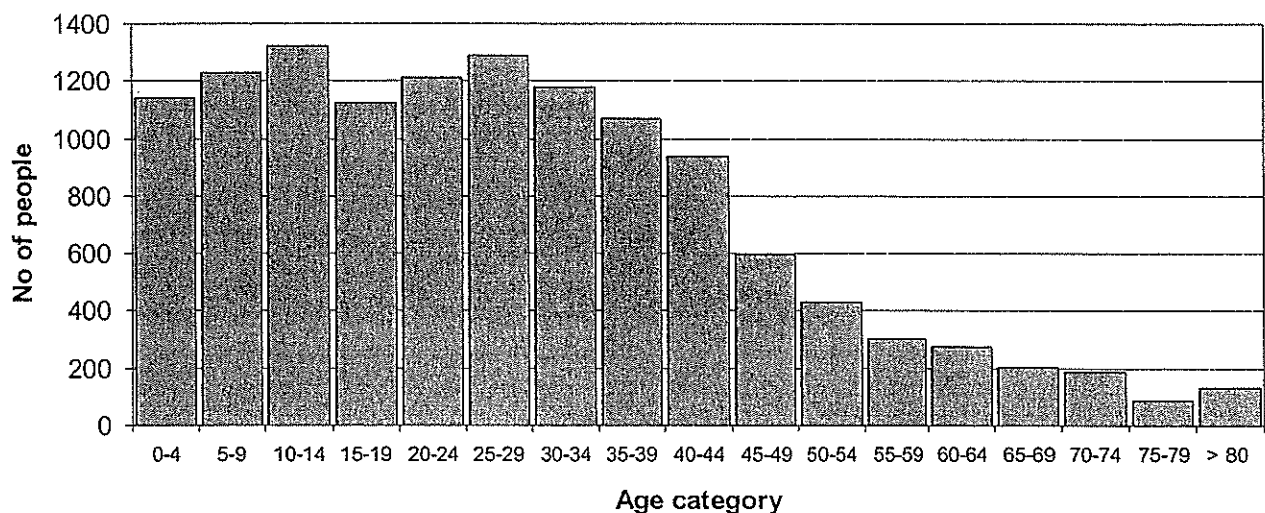
Ethnicity/ Racial Composition/ Language

The racial composition of the Ward and villages were similar to that of the broader Bojanala Platinum District and Rustenburg Local Municipality with approximately 90% of the population classified as Black/African, making it the overwhelming majority in the district and in the local municipality. Statistics SA did not recognise the numerous ethnic groups that made up this dominant group. It is important that these differences are recognised given the administrative structure of the Bojanala Platinum District. The Bafokeng is by far the majority in the area and the bulk of the geographic area is under the administration of the Royal Bafokeng Administration. The most commonly spoken language in the Bojanala Platinum District, Rustenburg Local Municipality and Ward 2 were Setswana. Current BRPM workers are predominantly Setswana speaking (72%), while small numbers of the workers speak Afrikaans, English, Sesotho, IsiXhosa - this is in line with the language distribution of the area.

Gender and Age Ratios

The gender ratio in Chaneng, Robega and Rasimone were almost similar in 2001, with an average of 51.5% males. This reflected the gender ratio of the Local Municipality and District, at 54% and 51% respectively. The slightly higher proportion of men may be attributed to the job opportunities perceived to be available in the mining sector. In terms of the age ratio in Ward 2, the population was very young with almost 38% of the population being below the age of 20 years (see Figure 5). These numbers are consistent with the age structure of the Bojanala Platinum District. In Rasimone, the largest numbers of people were between the ages of 20-39; reflecting the same age distribution as the greater Rustenburg Local Municipality.

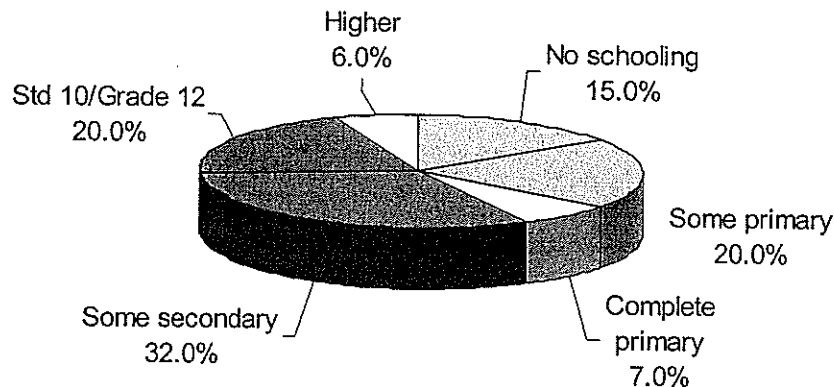
Figure 5 Age distribution



Education Levels

The levels of education in the Bojanala Platinum District (see Figure 6) reflect the same distribution as those of Chaneng and Robega, with the largest number of residents having completed some secondary schooling and a large number having completed Grade 12 as at 2001. This is similar to Rasimone, however, there were fewer people who have completed Grade 12. It is evident that the level of education amongst females was higher than that of males.

Figure 6 Levels of education in the Bojanala Platinum District



Social and Economic Infrastructure

Health

The health facilities in the area are built by the RBA, but administered by the Department of Health and Welfare of the North West Government. In general, the clinics in the Bafokeng areas are in good condition. The clinics are housed in formal structures and are equipped with appropriate facilities. Phokeng has a Health Centre which operates on a 24-hour basis and all other seven (7) clinics in the Bafokeng villages also operate on a 24-hour service. There is one 24-hour clinic that services (Mafenya) Chaneng, Robega and Rasimone. The HIV prevalence rate in the North West Province is exceptionally high, with 30% of the population currently infected by HIV. The associated social and economic impacts are devastating households, families and communities and eroding formal and informal mechanisms of support.

Education

Schools in the area concerned are built by the RBA but are administered by the Department of Education of the North West Province. All the schools are in good condition and are housed in formal structures of high quality. The ratio of teachers to learners for the education facilities in the study area is satisfactory. Most of the facilities are even below the norm set by the Department of Education, which is 1 teacher to 40 learners, according to the Platinum Initiative Sub-Regional Plan, 2002.

Standard of Living, Utilities and Services

The standard of living in the Bojanala Platinum District, the Rustenburg Local Municipality and the mine community varied somewhat but overall it was fairly poor for the majority of the population during 2001. Household access to sanitation, refuse removal and telecommunications was poor in the broader geographic areas. Electricity was the dominant source of fuel used in the villages and the broader area for lighting, heating and cooking. Although the majority of the houses were formal, throughout the region, there were high numbers of informal dwellings.

Housing

Across the Bojanala Platinum District, there were a large number of formal dwellings (66%) relative to informal/ traditional dwellings (34%). Chaneng and Robega were predominantly formal, with 54 and 68.5% respectively and only 46 and 31.5% respectively, were informal/ traditional dwellings. Rasimone differs slightly in that 67% of the dwellings were informal/ traditional and only 33% were formal (Statistics SA, 2001).

An interview with a regional planner from the Royal Bafokeng Administration revealed that these statistics are out of date and that there are much higher numbers of informal dwellings, especially in Robega, approximately 66%. Since this is an informal settlement on state land which does not form part of the Royal Bafokeng authority this contributes to the high informal settlement rate. Approximately 4000 people reside on the Robega state land with virtually no infrastructure. The quality of the formal dwellings is reported to be very poor as there are many cracked houses and collapsing foundations. The reason for the damage to these houses is attributable to the soil conditions or to poor building practices.

Electricity

Electricity was the key source of energy used in all the villages for lighting, cooking and heating. Electricity is provided privately by Eskom and approximately 80% of the households in Chaneng and Robega used electricity in 2001. In Rasimone, the majority of the households used electricity; however, a fairly large number of households made use of paraffin as a fuel source.

Water

According to Statistics SA (2001), 20% of households in the Bojanala Platinum District had access to piped water in their dwellings and 14% in the Rustenburg Local Municipality. These figures far exceed those in Chaneng, Robega and Rasimone, where only 1.5, 3 and 1% respectively, had access to piped water in their dwellings. Although few households had access to piped water inside their dwellings, the majority had access to water inside their yards, with the exception of Rasimone (Robega) where access is less.

Sanitation, Refuse Removal and telecommunications

Sanitation in the area concern was very poor, by far the majority of the households did not have access to flush or chemical toilets. Throughout these villages, 86% of households used pit latrines that had no ventilation. 'Ecoloos' were installed in Mafenya (new area, forming part of Robega (Rasimone), where BRPM relocated residents) for the resettled households; however, they did not function adequately and expose the residents to health risks. There was virtually no formalised refuse removal in the area, some 76% of households used their own refuse dumps, 23% had no form of refuse disposal, and the remaining 1% had their waste removed by a local authority or took it to a communal refuse dump. The RBA socio-economic survey (2003) showed that no respondents had their refuse collected by any formalised structure in the key villages. Only 3% of households in the villages had access to a telephone in their homes, 36% of households had cell phones, and 61% relied on public telephones or telephones at other locations (Statistics SA, 2001).

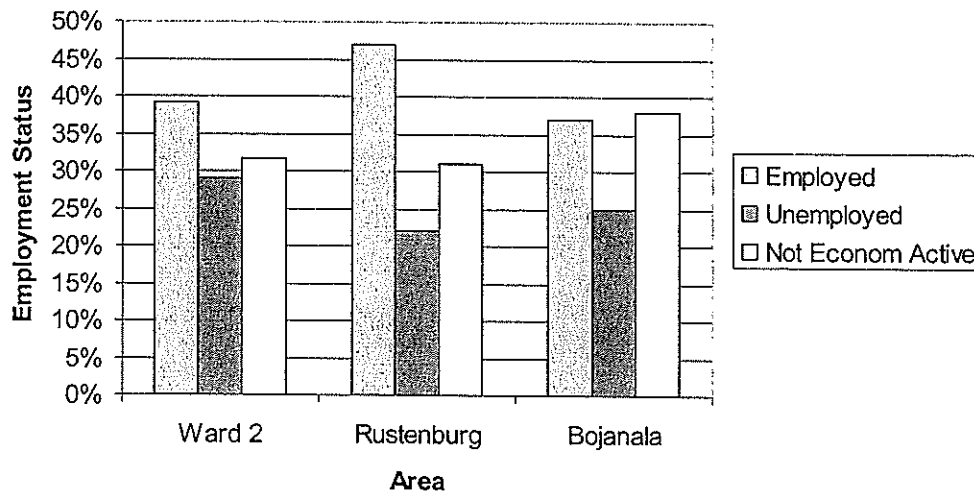
Livelihoods

Employment

Over a third (37%) of the population of the Bojanala Platinum District were employed in 2001, 38% were not economically active and 25% were unemployed. The employment status differs in the Rustenburg Local Municipality with 47% of the population employed, 31% not economically active and

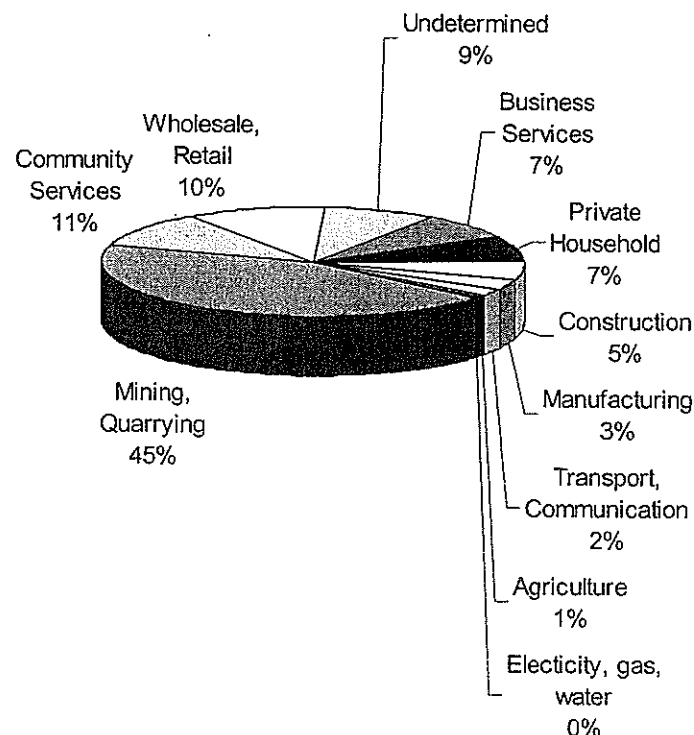
only 22% unemployed, according to Statistics SA, 2001. The rate of unemployment across these areas was low compared to the South African unemployment rate of 36% to 42% since the year 2000.

Figure 7 Employment per Ward, Local Municipality and District Municipality



According to the 2001 statistics, the level of employment amongst the economically active population (aged between 15 and 65) was 37% in Chaneng, 38% in Robega and 39% in Rasimone. According to Statistics SA, 2001, mining was by far the most dominant employer in the region, employing 27% of the population in the Bojanala Platinum District and 46% in the Rustenburg Local Municipality. Chaneng, Robega and Rasimone employed 34%, 45% and 66% (Ward 2 = 45%), respectively of the population, in the mining sector. Figure 19 provides an indication of the economic sectors in which the employed population members were working specifically in Ward 2 of the Rustenburg Local Municipality.

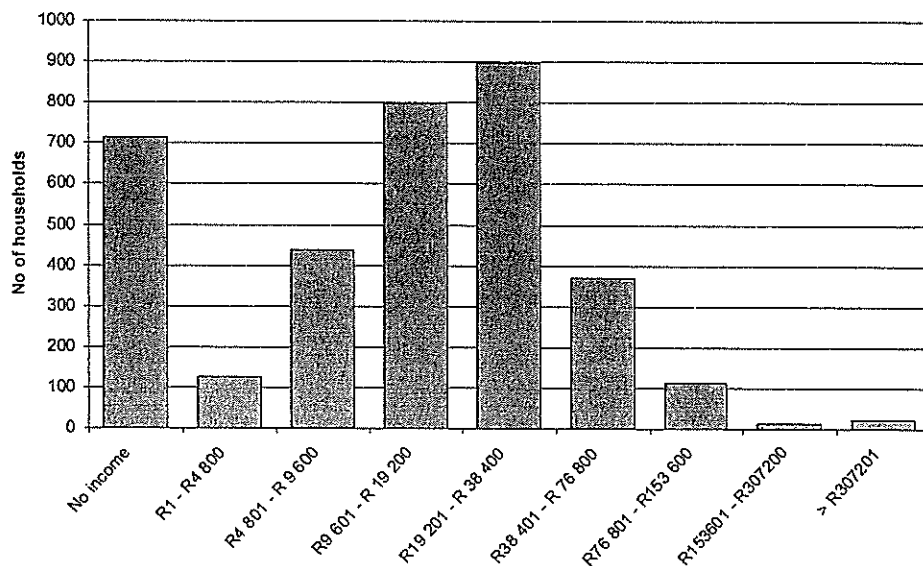
Figure 8 Employment status shown by economic sector in Ward 2



Income and Wealth Distribution

The average annual household incomes were low in the area: R32 000 in Chaneng, R23 300 in Robega and R23 600 in Rasimone, broadly reflecting incomes in the Rustenburg Local Municipality. There were a relatively large percentage of households that have no income, and the majority of households earned below R38 400. Only 0.7% of the households in Ward 2, which include the villages of Chaneng, Robega and Rasimone earned over R300 000 per year.

Figure 9 Annual household income in Ward 2 of the Rustenburg Local Municipality



3.2 THE KEY ECONOMIC ACTIVITIES OF THE AREA IN WHICH STYLDRIFF OPERATES

The most prominent formal sector employment opportunities in Rustenburg Local Municipality were mining (44.8%), wholesale and retail (11.5%), and community and social services (11.1%) as per the 2001 Census. Industrial activity within Rustenburg Local Municipality is concentrated within Rustenburg and Thlabane, the economic hub of the municipality.

Most mining activities in the municipality are located on the Merensky Reef and the UG2 Chromite layer, and comprise about 20 platinum mines. Mining employment comprised 45% of the formal sector employment and was followed by agriculture at only 3.6%. The majority of informal businesses within the municipality are operated from informal settlements. Platinum mining plays a major role in the area and further mining development is possible.

3.3 THE SOCIO-ECONOMIC IMPACT OF STYLDRIFT ON MINE AND RURAL LABOUR-SENDING AREAS

3.3.1 Introduction

In South Africa the vast majority of poor people live in rural areas that are characterised by a highly unbalanced and uneven distribution of people, services and opportunities. Furthermore, while access to employment, infrastructure and general social services is limited, barriers to improving productivity in the rural areas are overwhelming.

Mining often provides local communities with jobs, which may enable local people in subsistence to join the cash economy. Another significant source of economic benefits to communities, particularly where mining is the main activity as in this case, is the input services provided to mining operation. Mining companies are increasingly required to assist local business development and to give preference to local businesses in terms of the supply of goods and services.

Potential socio-economic impacts identified during the specialist study are summarised as follows:

The project will contribute to the National and North West Provincial economy in terms of an increase in Gross Domestic Product (GDP) due to the R4.2 billion (indicative) capital expenditure. Mining has a dominant role in the economy of the Province employing a quarter of the labour force and contributing about 55% of its GDP with significant multiplier effects in the service and trade sectors. The GDP of the BPD could increase by approximately 4.32%, while that of the Province could benefit by approximately 1.35%. Although the project will have a high positive impact on the economy for a minimum of 35 years, the Provinces' dependence on a single district (BPD) for at least 31% of its economic activity necessitates greater diversification.

Between 200 and 500 contractors will be employed during the construction phase and between 600 and 3 300 personnel will be permanently employed during the operational phase. This is a positive impact of high significance. Salient management measures will include the following:

- a) A transparent recruitment process with well-defined and communicated recruitment criteria;
- b) Recruitment offices will be located close to the villages;
- c) The exact number of positions available and the qualifications required will be advertised locally;
- d) BRPM has an agreement with the RBH that they will employ local employees wherever feasible which will apply to the Styl drift Project. All tenders for work and supplies are referred to the Royal Bafokeng Economic Board and training offered to enable entrepreneurs in tendering procedures. Local suppliers will be identified through the RBE Board and contractors are involved through temporary and permanent work;
- e) The objective of the all contractors must be to use and develop the capacity of communities, making maximum use of local SME and BEE companies;
- f) BRPM has a Skills Development Plan, which is the foundation for the mines education, training and development programmes; and

- g) Relevant training will be provided either at the BRPM Training Centre or Anglo Platinum training centres.

The service conveyor routes run close to the Chaneng, Robega and Mafenya with safety implications for villagers moving between these two villages. The corridor will be fenced off and crossing points provided. The mine will talk to people in the villages to determine where and how many places are needed for people and cattle to cross the corridor. The existing road through Mafenya will be used by personnel to access the new shaft complex. Vehicular mine traffic through Mafenya between the new shaft complex and the stores section at the existing concentrator plant will consist of personnel vehicles. Busses, taxis and private vehicles will be used daily to transport the additional 1 000 and 1 500 personnel to and from the complex notably at peak times during shift changeover. Although it is likely that the majority of personnel will access the complex on foot from surrounding villages, traffic will increase through Mafenya.

As job seekers become aware of the potential for employment, many may attempt to establish informal houses near the site entrance. With an influx of new, unemployed people, there could be a rise in general crime, vagrancy, stock theft, farm attacks, alcoholism, prostitution, sexually transmitted diseases and other social problems. This negative impact could be high if left unmanaged. In terms of accommodation, the Styldrift Project has a strategy to accommodate additional personnel.

BRPM established a partnership with the RLM and Royal Bafokeng Administration, dating back to 1997 to build new houses in the Rustenburg corridor to Sun City and on land near Boshhoek town currently owned by Anglo Platinum. Discussions between the Mine, Rustenburg Municipality and the Royal Bafokeng Administration have re-started to rejuvenate the strategy in view of the additional personnel required for the project. Although financial and technical considerations are still being researched, remuneration packages will enable employees to rent or purchase the properties. Discussions will be ongoing till mid 2007 at which time a final decision on the application of the strategy will be taken. The projects strategy will integrate with Anglo Platinum's regional plans for the development and planning of Rustenburg town.

Considering BRPM's current employees, the Mine has assessed the housing needs of its existing employees in 2007 by means of a survey and will incorporate the survey data obtained during the housing project for new employees for the Styldrift Project. Additional impacts associated with noise, air quality, visual aspects and vibration are discussed above.

Closure activities will have a low positive impact for a three year period, after which the projects contribution to the economy will end. Post closure will have a high negative but inevitable economic impact due to the loss of jobs and contribution to the GDP of the Province. This Social and Labour Plan outlines the management and mitigation measures that will be implemented by BRPM to reduce the impact.

3.3.2 Mine community benefit from Styldrift wage flows

This section examines the economic impact of potential labour employed from the mine community regarding:

- a) Earnings by these workers;
- b) Disposable income and its geographic distribution; and
- c) Economic impact of these wage flows on beneficiary communities relative to the overall aggregated household incomes.

Direct employment

As part of the Joint Venture Agreement, employment is offered to the local communities and the recruitment policy supports this agreement. BRPM has an agreement with the Royal Bafokeng Holding Company that they will employ local employees wherever feasible and to the extent reasonably possible, which will apply to the Styldrift Project.

The Styldrift Project will generate employment in four different ways:

- a) Direct employment on the payroll;
- b) Indirect employment through contractors;
- c) Indirect employment through social investments and initiatives; and
- d) Induced employment through the spending of direct and indirect employers on local goods and services.

Contractor employees will represent the majority of the local workforce until 2013. The Styldrift Project will employ around 382 contractor employees per annum. At production in year 5 (2017), the Project aims to employ 1 824 employees.

Apart from the permanent, directly created job opportunities there will be scope for other entrepreneurial jobs. The labour contingent during construction will also add to the economy of the area. During construction and during the life of the mine, contractors and service industries in the region will benefit from the mining activities. This will have a knock-on effect on suppliers of goods and services in other areas of the country. Considering an employment multiplier of 3 (average used in mining industry) people being directly dependent on every worker, the influence becomes of great importance.

Direct wages

While wage flow itself is the key indicator of economic benefit to the community, it is the retention of these wage flows that in fact constitutes the net economic impact. For example, while wage flows might report to Rustenburg, Phokeng, Tlhabane, Luka, Chaneng, Robega, Rasimone or Boshoeck, the money is primarily spent in Rustenburg, because the other towns are not large commercial centres. It is expected though that wages from direct and indirect employment will have a positive economic impact on the immediate villages and mine community.

3.3.3 The economic impact of procurement

Another direct benefit from a mining operation is the purchase by a mine of goods and services. An important aspect of the relative benefit that will emanate from the Styldrift Project is that local economic benefit would derive mainly from the payment of mine wages, while mine procurement will have a relatively minor impact on the mine community's economy. It probably will have a much greater impact on the commercial centres far from the mine. Although mines are encouraged to procure locally, the fact is that the specialized nature of mining related goods and services forces mines to procure from larger industrial areas. It is expected though that some of the 'maintenance' type expenditures and wholesale and retail trade expenditures could be procured from within the local communities, while machinery, equipment, mining and engineering and other specialized services will be procured from Gauteng.

Local entrepreneurial opportunities

Through Addicted to Business at BRPM opportunities are offered on an ongoing basis for identified entrepreneurs to improve their business skills. Ralema Bakwena is an initiative started by unemployed woman who are conducting underground work on a contract basis with a turnover per annum of approximately R1 400 000, resulting in indirect and induced economic impacts.

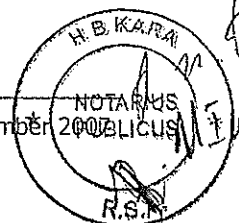
Through a partnership initiative with the RBN, a business development committee investigate, develop and facilitate business development through the Royal Bafokeng Economic Board (REB). All tenders for work and supplies are referred to the REB and training offered to enable entrepreneurs in tendering procedures. Local suppliers are identified through the REB and contractors are involved through temporary and permanent work.

3.3.4 Fiscal benefit

A significant aspect of a mining operation is the contribution to the Government's fiscus of both direct and indirect taxes, utilities and rates and taxes. These are important, not only in developing the national economy, but in the indirect benefit that taxes bring to any community. Development funding by Government is obviously funded from tax revenues, but it is not possible to draw a direct link between mining taxation and Government's development expenditure in the mine community. The public-private partnership between Government and the mines (as prescribed in the regulations) in the development and implementation of the local Integrated Development Plans (IDPs) are a direct benefit. The role that the mine plays in assisting local authorities to develop the capacity to plan and implement IDP projects is critical.

The following issues are pertinent, if not crucial, to the planning and implementation of the Integrated Development Plan (IDP) in the mine community's host municipalities:

- a) The bulk of economic benefit from the operation, including contributions to the fiscus, flow out of the mine community. In direct contrast, the greatest impact of mine closure occurs within the mine community;
- b) It is quite clear that the commercial centres and villages around mining projects become growth areas; in the context of BRPM, Rustenburg, Chaneng, Robega and Rasimone are prime examples. In the interests of economic diversification and sustainable economic activity, Government should prioritize support for the development of these centres as a key instrument in mitigating against mining-related social dependence;



- c) Government should therefore set up focused arrangements on behalf of the mine communities to ensure that provincial or national development initiatives are specifically orientated towards mitigating or resolving these mining-related socio-economic problems. This implies that specific budget lines be allocated for this purpose at provincial level and paid for from the national fiscus. Project-specific funding from these sources could be considered, based on structured project proposals and business plans from the relevant IDP groupings within the affected mine communities; and
- d) In this way, mining rents can be deployed closer to the source in the management of socio-economic impacts.

3.4 INFRASTRUCTURE AND POVERTY ERADICATION PROJECTS

3.4.1 Socio-economic Development

The contribution that BRPM makes towards the provision of infrastructure and towards poverty eradication within the mine community is a function of the mine's Socio-economic Development (SED) programme. This, in turn, is closely aligned with the Integrated Development Plans (IDPs) of the Rustenburg Local Municipality. The SED programme incorporates physical support, social support, community capacity-building and governance.

In drafting this plan, the distinctive needs and dependencies of urban and rural communities as defined below have been carefully considered in terms of their respective characteristics and the challenges that face them. These distinctions both inform and direct the nature of LED projects facilitated by the mine in these environments and contexts.

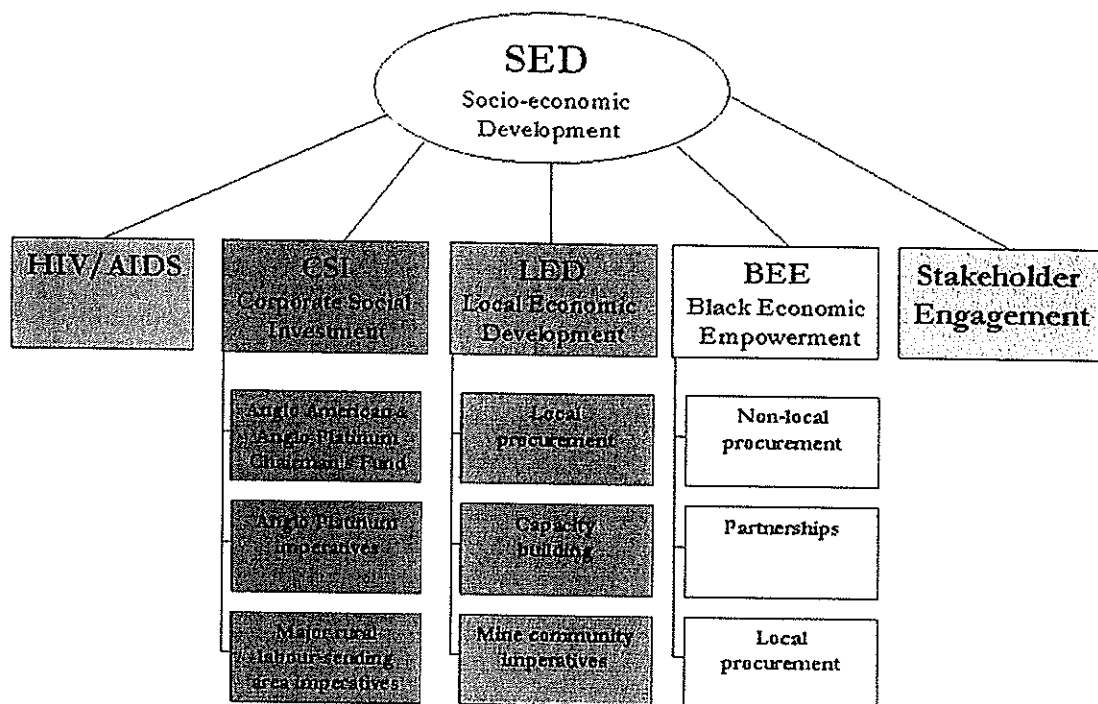
BRPM, through the Anglo Platinum's Socio-economic Development (SED) Function, undertakes its SED initiatives at two levels:

- a) **Local Economic Development (LED):** Mine projects will be managed by mine-based LED officers and coordinated by Anglo Platinum's SED function. These programmes will be primarily focused on major labour-sending areas within the mine community and will be aligned with the IDPs of local municipalities; and
- b) **Corporate Social Investment (CSI):** Corporate programmes, which will be directed through either Anglo Platinum's CSI function or the Anglo American and Anglo Platinum Chairman's Fund.

The corporate level programmes will focus on major rural labour-sending areas, many of which are located in the Eastern Cape Province. The Chairman's Fund will also deal with the more general requests for assistance through the Anglo American Group corporate social investment programme.

Each of Anglo Platinum's mines will support the corporate SED effort through contributions to the activity of the LED officers or the Chairman's Fund. This results in a shared credit for these programmes. Figure 11 shows how Anglo Platinum's SED function is structured in terms of CSI and LED imperatives.

Figure 10 Schematic Diagram of the Structure of the Anglo Platinum SED



BRPM's SED programme's statutory interaction is with the Rustenburg Local Municipality for the Integrated Development Plan (IDP).

3.4.2 The BRPM-Styldrift LED programme

BRPM has a unique social management system, which commenced with establishing the mine as a joint venture with the Royal Bafokeng Nation and Royal Bafokeng Resources culminating in the Joint Venture Agreement regulating the relationship. Due to the nature of the mining operations and Joint Venture Agreement, a formal social management system comprising of:

- Engagements with Affected parties, Interested parties and Authorities;
- In formal forums;
- Funding of Corporate social Investment initiatives;
- Training and Development;
- A formal Environmental Management system;
- Capacity building initiatives through Procurement;
- Social Development initiatives; and
- Health and Safety development and funding.

The respective specialist departments at BRPM are involved in the formal social management system e.g. Human Resources in Training and Development, Environmental in capacity building and environmental management, Finance in procurement and Protection Services in safety issues. The social management system is formalised and a mine social economic development officer (SED) is responsible for giving affect to Group policy and procedures. A formal mine strategy to affect SED policy is in existence. Through formal structures of engagement, the development of all stakeholders are funded with identified beneficiaries though applied policy and procedures and monitored after implementation.

As the Styldrift Project is a proposed extension of the current BRPM operation and the same communities apply, the Styldrift Project LED Plan forms part of the BRPM LED Plan. The current budgetary framework (Table 23) applies to BRPM as well as the Styldrift Project.

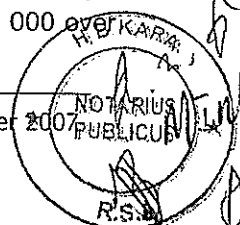
This LED programme will focus on sustainable development as a means to underpin economic empowerment. The core tenet underlying the programme will be social stability. The aim of BRPM's LED policy will be to ensure that the company's efforts and expenditure in social investment are effectively co-ordinated and managed to the best advantage of all the mine's stakeholders. The programme will concentrate on building partnerships where the mine and its stakeholders commit jointly to projects that are mutually beneficial and add value to the provinces and communities in which the programme operates. This will require an on-going process of consultation with communities. Each community falls under the jurisdiction of a headman who is accountable to the Royal Bafokeng Authority and a ward councillor who is accountable to the Rustenburg Local Municipality. BRPM will consult with the respective headmen and ward councillors in the five communities in the vicinity of the mine, working through committees that deal with issues such as health, employment, agriculture and education. Bi-monthly meetings with each community will be held to determine needs for assistance, and to assess progress on project delivery. The community consultation process will also be used to identify candidates for the Addicted to Business courses.

BRPM/Styldrift will contribute R 54.8 million towards infrastructure provision and poverty eradication within the mine community as per Table 23 below within the next five years. A summary of the projects per focus area are discussed in Table 24 and more details in terms of deliverables appear in Appendix 3.

Table 23 BRPM/Styldrift LED Budget Summary

FOCUS AREA	Forecast				
	2008	2009	2010	2011	2012
1. Basic infrastructure	R3 100 000	R 3 200 000	R 3 320 000	R 3 400 000	R 3 570 000
2. Education	R2 500 000	R 2 600 000	R 2 700 000	R 2 800 000	R 2 900 000
3. Entrepreneurship for job creation/ poverty alleviation	R1 000 000	R 1 037 000	R 1 075 000	R 1 115 000	R 1 156 000
4. Housing and social development	R2 600 000	R 2 690 000	R 2 795 000	R 2 899 000	R 3 000 000
5. Skills training programmes	R1 000 000	R 1 037 000	R 1 075 000	R 1 115 000	R 1 156 000
TOTAL	R10 200 000	R10 564 000	R10 965 000	R11 329 000	R11 782 000

The above budget has increased significantly during the Styldrift Feasibility Study from R1.9 million per annum in 2006 to R3.4 million per annum in the first quarter of 2007 and now to an average of R10.9 million per annum. One specific intervention that has been increased significantly in this budget is the support for infrastructure development in Macharora (the villages of Mafenya / Chaneng / Robega / Rasimone). Initially only 15 high mass lights were planned at a total cost of R970 000 over 5 years.



five years; the above budget now makes provision for R16.5 million over the next five years at an average of R3.3 million per annum to be allocated to the following projects in conjunction with various stakeholders such as RBN, Rustenburg Local Municipality and other mining companies:

- a) A joint sewage plant for Boshhoek (\pm 500 units), the mines and the surrounding villages;
- b) A Health Centre for Macharora;
- c) A joint housing project at Boshhoek; and
- d) A taxi station for Macharora.

These projects are still in conceptual stage and only one meeting was held in September 2007 with the relevant stakeholders where these interventions were discussed. Further discussions will take place in January 2008 with the intention to allocated responsibilities between the role-players.

3.4.3 Stakeholder consultation

In response to the Mining Carter obligations related to the mining and rural community development, BRPM chartered a process that would enable the company to make informed decisions on what and how should the mine direct its social investment strategy. The critical component of this process is stakeholder engagement. The key stakeholders are government, labour, community-based organizations, non-governmental organizations/non-profit organizations, communities within a 50 kilometre radius of BRPM and local and district municipalities. Underpinning such engagement has been adherence to the provisions of the MPRDA and the Municipal Systems Act as they relate to the importance of business participation in the development of IDPs and LED plans of local municipalities. The process to arrive at specific projects to support in this regard entailed consultations with the following:

- a) Rustenburg Local Municipality;
- b) Bojanala District Municipality;
- c) Community Development forum/ Tribal Authorities;
- d) Department of Minerals and Energy's regional office; and
- e) Labour Unions at the mine.

Reference has also been made to the Provincial Growth and Development Strategy (PGDS), Integrated Sustainable Rural Development Programme (ISRDP) and the national government's Growth Points strategy. This is to ensure that any interventions or investments made integrate with the broad socio-economic development agenda of the country. Of critical importance was the acknowledgement that private-public partnerships are an imperative to ensure an improved socio-economic impact. The mine also participates in the Joint Development Forum which is run by the Rustenburg Local Municipality and represents local government, business and the Royal Bafokeng Administration. It is through this Forum that the Rustenburg Local Municipality's Integrated Development Plan (IDP) is implemented.

3.4.4 Strategic objectives of BRPM-Styldrift's LED Programme

The project identification process took into consideration the unique circumstances in the community, the vision firstly of the local municipality and secondly the region or district and the resources required for each project. The majority of projects and programmes presented by the Rustenburg Local Municipality easily fall within BRPM's strategic focus areas, namely local economic development, community development and social habitat/informal settlements. The commitment to sustainable development will be to use the mine's revenues, expertise and business skills to:

- a) Support socio-economic development in the mine community;
- b) Develop meaningful and sustainable partnerships with the mine community;
- c) Support the enlargement of the human resources skills pool;
- d) Contribute towards social stability in the mine community and rural labour-sending areas;
- e) Create a positive reputation for BRPM as a socially aligned operator; and
- f) Develop partnerships with relevant stakeholders that are mutually beneficial and add value to the expected outcomes of the LED programme.

3.4.5 Co-operation with municipal IDP programmes

BRPM is participating in the local IDP process at various levels of Government to ensure that the proposed mine's selection and sponsorship of LED initiatives is linked to the Government's development priorities. Hence, the objectives of this Social and Labour Plan, and the accompanying strategies and plans, are guided by the IDP priorities. To the extent possible, all projects that the mine sponsors are relevant, defensible and auditable, and are within the context of defined Government development objectives.

Prior to implementation, all projects have been discussed with the relevant municipal or district authorities responsible for the implementation of the IDPs, as well as with all other affected stakeholders. This principle is in line with the MPRDA requirement that mine-sponsored LED projects are coordinated with Government development projects, and are commissioned in consultation with the appropriate authorities at various levels of Government. BRPM's LED programme incorporates an established policy of developing relationships and partnerships with stakeholders in close proximity to the mine's operations.

The programmes and projects below concentrate strongly on community empowerment, education, infrastructure development and access to healthcare, basic needs and job creation.

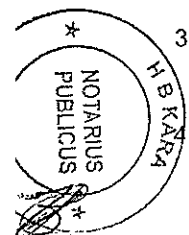
3.4.6 Projects

BRPM is committed to making effective and sustainable use of limited resources to create an environment enabling ordinary people to assume greater control of their lives. The mine will support a wide variety of causes and diverse programmes that recognise the varied socio-economic and educational needs of its mine community and major rural labour-sending areas.

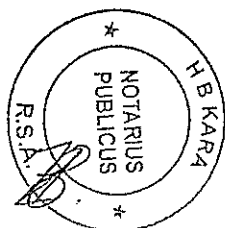
Table 36 provides a perspective on the proposed LED projects and related expenditure by the BRPM mine and the Styldrift Project from 2008 to 2012. Each of the LED projects will be described in more detail in Appendix 3

Table 24 BRPM/Styldrift LED Projects

No	Project description	Department responsible for implementation	Forecast					Total	Partners
			2008	2009	2010	2011	2012		
1. BASIC INFRASTRUCTURE									
1	Infrastructure support for Macharora	RBA	R3 100 000	R 3 200 000	R 3 320 000	R 3 400 000	R 3 570 000	R 16 590 000	RBA/RLM/BRPM
2. EDUCATION									
2.1 BUILDING AND CONSTRUCTION OF SCHOOLS AND RELATED INFRASTRUCTURE									
1	Renovations/additions at schools	DoE	R2 500 000	R 2 600 000	R 2 700 000	R 2 800 000	R 2 900 000	R 13 500 000	DoE/RLM/BRPM
3. ENTERPRISE DEVELOPMENT / ENTREPRENEURSHIP FOR JOB CREATION/POVERTY ALLEVIATION									
3.1 BUSINESS INFRASTRUCTURE AND CAPACITY DEVELOPMENT									
1	Entrepreneurship development	Manager: LED	R60 000	R62 000	R64 000	R67 000	R69 500	R322 500	RLM/RBA/SEDA/ BRPM
2	Rasimone commercial Agriculture project - Macharora agri cooperative	SED	R 485 000	R 194 000	R 346 000	R 300 000	R310 000	R1 635 000	RLM/RBA /Rasimone Community/BRPM
3	Establishment of commercial venture/s – Macharora	SED	R 200 000	R 300 000	R 350 000	R 300 000	R370 000	R1 520 000	RBA/RLM/BRPM
3	Set up women-owned cooperatives	Manager: LED	R 194 000	R 190 400	R 195 000	R 294 000	R 306 500	R1 179 900	RLM/RBA/SEDA/ BRPM
	Establishment of a savings and credit cooperative	Manager: LED	R 61 000	R 290 600	R 120 000	R 154 000	R100 000	R 725 600	RLM/RBA/SEDA/ BRPM
	TOTAL		R1 000 000	R1 037 000	R1 075 000	R1 115 000	R1 156 000	R5 383 000	



No	Project description	Department responsible for implementation	Forecast					Total	Partners
			2008	2009	2010	2011	2012		
4. HEALTH AND SOCIAL DEVELOPMENT									
4.1	CLINIC CONSTRUCTION AND SUPPORT								
1	Building a clinic in Rasimone / maintenance / support	SED	R 1 600 000	R 1 690 000	R 1 795 000	R 1 800 000	R1 900 000	R8 785 000	RBA/DoH/RLM/AP
2	Renovation of the clinic in Robega / maintenance / support	SED	R1 000 000	R 1 000 000	R 1 000 000	R 1 099 000	R1 100 000	R 5 199 000	RBA/DoH/RLM/BRPM
	TOTAL		R 2 600 000	R 2 690 000	R 2 795 000	R 2 899 000	R 3 000 000	R13 984 000	
5.	COMMUNITY PORTABLE SKILLS PROGRAMME								
1	Portable skills training programme	Manager: LED	R 1 000 000	R 1 037 000	R 1 075 000	R 1 115 000	R1 156 000	R5 383 000	RLM/RBA/SEDA/ BRPM



3.5 MEASURES TO ADDRESS THE HOUSING AND LIVING CONDITIONS

BRPM has implemented a housing strategy which was created in partnership with labour that aggressively tackles the pressing accommodation issue in a focused and strategic way. The strategy was developed taking into account factors such as the proximity of the mine to the nearest town, the economic sustainability of that town, various accommodation options, and housing requirements of informal settlement communities located near to the mine.

External issues which were considered in the development of the housing policy include tribal lands, informal settlements, housing demand and the housing market.

BRPM, through the Anglo Platinum's Shared Services Unit (ASSU) Group Housing will engage with local, provincial and national Government to improve the quality and effectiveness of local IDPs.

3.5.1 Strategy and objectives

BRPM's remuneration is based on the Total Package scheme. The local economic development (LED) strategy of the mine does, however, take the need for sustainable communities into consideration.

- a) Sustainable communities: BRPM believes that every effort should be made to encourage staff to live in formalized settlements. Housing is a major factor in the creation and maintenance of sustainable communities. BRPM will work with the Local Municipality in planning its housing requirements around the identified municipal economic development nodes; and
- b) Employee housing: BRPM does not provide company-owned housing but pays 'gateway' wages to enable employees to make their own decisions, based on affordability, as to where they want to live and whether they wish to live in rented or owned accommodation

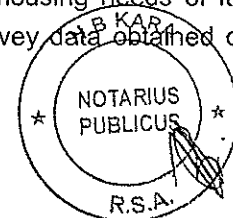
In 2003, the Social Surveys study on housing demand showed that 48% of employees live in Bafokeng villages in the area. Some 69% live in private houses, 21% stay in backyard rooms or outbuildings of private houses, and 10% live in the informal settlement.

3.5.2 Implementation plan for employee housing

BRPM established a partnership with the Rustenburg Local Municipality and Royal Bafokeng Administration, dating back to 1997 to build new houses in the Rustenburg corridor to Sun City and on land near Boshhoek town currently owned by Anglo Platinum. Discussions between the Mine, Rustenburg Municipality and the Royal Bafokeng Administration have re-started to rejuvenate the strategy in view of the additional 1 100 to 1 650 personnel required for the project.

Although financial and technical considerations are still being researched, remuneration packages will enable employees to rent or purchase the properties. Discussions will be ongoing till mid 2008 at which time a final decision on the application of the strategy will be taken. The projects strategy will integrate with Anglo Platinum's regional plans for the development and planning of Rustenburg town.

Considering BRPM's current employees, the Mine has assessed the housing needs of its existing employees in 2007 by means of a survey and will incorporate the survey data obtained during the



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housing project for new employees for the Styldrift Project. Additional impacts associated with noise, air quality, visual aspects and vibration are discussed above.

3.5.3 Reducing dependence on mine-owned housing

The creation of sustainable mine communities is central to mitigating the impact of mine downscaling and closure on those communities that become dependent on wage flows and the other social benefits of mining projects. One of the key elements of providing for sustainable communities will be the provision of a residential base for the community. This will serve to reduce the dependence of mine communities on mine-owned housing and social infrastructure, and mine-supported social services.

A basic prerequisite for reducing dependence on mine-facilitated housing is the establishment of a permanent community. This type of community implies home ownership, that is, the mineworker's commitment to a permanent residential presence.

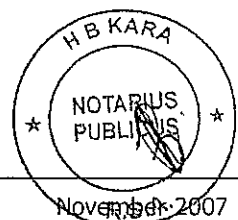
As part of the Joint Venture with the Royal Bafokeng Nation, BRPM has a responsibility to ensure that the stipulations of the lease agreement are adhered to regarding the prevention of squatting and safe mining procedures in areas close to houses on Bafokeng land. The Joint Venture Management Committee, as part of its function, monitors and manages the housing situation. BRPM Protection Services, in conjunction with the RBA Squatting Prevention Service, are responsible for the prevention of informal settlements.

A representative from BRPM attends the monthly Anglo Platinum Housing Committee Meeting

3.6 MEASURES TO ADDRESS THE NUTRITION OF MINE EMPLOYEES

The provision of adequate nutrition for mine employees is an essential component of the mine's ability to maintain a healthy, productive workforce. The Company has developed a high quality nutrition plan for its existing operations. Created by a consulting dietician, it will be monitored on a regular basis. While the current food plan is meeting the nutritional requirements of the mineworkers, the Company will constantly strive for improvement in all facets of its operations. Consequently, it will formulate new plans to further enhance its current dietary programme and commits to continuous dietary improvement.

At Styldrift, no hostels are planned and therefore no meals, however mid-shift sustenance will be provided to every underground employee on a daily basis at company cost. This is issued, under the supervision of BRPM Protection Services employees, to every employee as he/she proceeds underground. The nutritional value of the sustenance is 1 500 kJ. BRPM has applied for and received exemption from meal intervals in all underground operations. BRPM will continue to provide the mid-shift sustenance to underground employees.



3.7 THE PROCUREMENT PROGRESSION PLAN

The Company fully recognises the role that HDSA procurement plays on creating a broader base for economic empowerment in South Africa and is therefore committed to using its considerable purchasing power to contribute towards this objective. The Company is particularly committed in assisting the procurement from and the development of HDSA companies, mainly from in the North West Province. There will be three distinct areas of intervention:

- a) Local economic development through local procurement in the North West Province;
- b) Active support of emerging HDSA entrepreneurs in the provincial and national mining supply sector; and
- c) Committed support at a national level for established HDSA interests by ensuring that HDSA-owned or HDSA-empowered vendors are given preferential access to supply opportunities.

In so doing, the Company seeks to underline its subscription to the national objective of South Africa becoming a more inclusive society, particularly in terms of the benefits from the mainstream market economy.

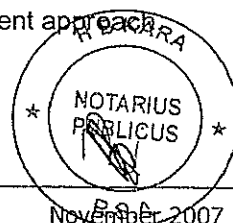
3.7.1 The supply of goods and services

Procurement at BRPM falls into these categories:

- a) Capital expenditure
 - i) Expansion projects (Styldrift Project); and
 - ii) Ongoing projects.
- b) Working cost expenditure
 - i) Goods (mining equipment and consumables); and
 - ii) Services.

Of these categories, the bulk of both capital expenditure and working cost expenditure items will be purchased centrally through the Company Supply Chain, which will be managed through group-wide contracts from large suppliers. A certain amount of local expenditure (procurement that falls outside of group contracts and targeted in the future to be approximately 15% by value) will be commissioned by the mine, typically from small and medium-sized companies within the North West Province.

Because of the differing nature of these categories of suppliers, the approach to HDSA preferential procurement interventions must of necessity differ. Within the Company, different structures will deal with different aspects of procurement. For example, capital works will typically be managed by a projects department which defines the scope of work for such projects and then either negotiates these projects with preferred suppliers or puts them put out to tender. Large-scale supply/service contracts for consumables/services will be managed by the Group Supply Chain function at the Anglo Platinum corporate head office and a small volume or orders for equipment, consumables and services will be managed at mine level. Each of these arenas will require a different approach



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However, the overriding philosophy at BRPM will be that, irrespective of the nature of the procurement, preferential status will be granted where possible and economically justifiable to procurement from firstly, HDSA companies in the North West Province and secondly, companies in which HDSAs have a stake².

The following targets below in Table 25 apply to total discretionary spend placed with HDSA vendors:

Table 25 Procurement Progression Plan

	Year	2008	2009	2010	2011	2012
BRPM Targets		30,0%	33,0%	35,0%	37,0%	40,0%
Target breakdown	HDSA Status					
	> 25,1%	21,0%	23,0%	24,0%	25,0%	27,0%
Total (%)	> 50,1%	9,0%	10,0%	11,0%	12,0%	13,0%
	Local*	11,0%	12,0%	13,0%	14,0%	15,0%
	> 25,1%	25,5%	26,5%	28,0%	29,5%	31,0%
Consumables	> 50,1%	6,0%	8,0%	8,6%	9,5%	11,0%
	Local*	16,0%	17,5%	18,5%	19,5%	21,0%
	> 25,1%	23,5%	25,0%	26,0%	26,5%	28,0%
Capital Goods	> 50,1%	5,0%	5,5%	6,3%	7,0%	8,0%
	Local*	5,5%	6,0%	6,5%	7,0%	8,0%
	> 25,1%	14,5%	17,0%	18,0%	19,0%	22,0%
Services	> 50,1%	16,0%	17,0%	18,5%	19,5%	20,5%
	Local*	11,5%	13,0%	14,0%	15,5%	16,5%

Local* means procuring from those HDSA vendors with business addresses within the North West Province.

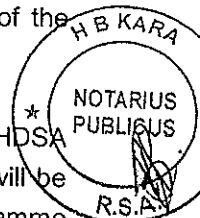
Note: Targets will be re-assessed yearly in line with continuous improvement.

3.7.2 Local Procurement

The Company has shown good progress in its procurement spend with HDSA vendors over the last three years. The strategy now has focused to procurement spend with local HDSA vendors around its operations. Local means procuring from those HDSA vendors with business addresses within the host Province.

In line with Company policy, BRPM will focus on the identification of small business development opportunities and suppliers at the local level to shift the balance of its expenditures where feasible from large, urban businesses to smaller, developing businesses located near or in the mine communities. The objective will be to maximize both job creation and the economic benefit of the mining operation at the mine community level.

Integral to this strategy is the need for the mine to be proactive and assist the smaller, local HDSA players in their endeavours to be successful in winning tenders from the mine. This initiative will be administered through a variety of programmes such as the Addicted to Business programme



² HDSA-owned means a minimum of 50,1% ownership. HDSA-empowered means a minimum of 26% HDSA ownership.

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managed by the mine-based BDOs together with the HDSA/SMME Manager. All suppliers will be subject to the Company procurement policies described in this section.

Large vendors engaged at Group level will be encouraged to make use of local labour in their local operations where possible. Service providers will be requested to provide a breakdown of their labour composition, particularly with reference to their commitment to employing members of the mine community.

3.7.3 Strategy and objectives

The overall objective here is to promote and enhance the constructive participation of HDSA vendors in the mine's upstream value chain and to ensure that HDSA suppliers have access to BRPM's supply chain. This is expected to catalyse an increase in the levels of benefits to HDSAs from the secondary and tertiary aspects of the mine's value chain within the North West Province. BRPM must also actively contribute to the Anglo Platinum group-wide objectives.

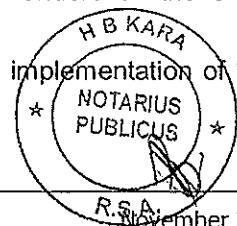
Specific objectives for BRPM will be to:

- a) Develop an HDSA database that is auditable and accurate;
- b) Ensure continuous maintenance of this database;
- c) Draft specific HDSA plans and opportunities at departmental level;
- d) Undertake a communication strategy that will ensure that all BRPM employees are aware of the targets;
- e) Secure awareness of and buy-in to the set targets and strategies by all heads of departments and other procurement-related decision-makers;
- f) Establish long-term, mutually beneficial relationships with HDSA vendors that can contribute to total cost of ownership reductions;
- g) Ensure that the e-procurement systems used by the mine provide easy access to tenders and do not inadvertently discriminate against the HDSA or Small, Micro and Medium Enterprise (SMME) vendors;
- h) Establish links with Quadrem; and
- i) Enhance tender capabilities via Quest.

3.7.4 Action plans

The following action steps will enable BRPM to achieve the above objectives and targets for the Styldrift Project as per Table 25:

- a) A change to the way in which the high-volume/low-value contracts are being done. To target local HDSA vendors in this environment thus giving them an opportunity to be sustainable over a longer period due to the commitment of a contract;
- b) With the assistance of Quadrem, provide easy access to local vendors on the electronic tendering system referred to as Quest;
 - i. Other local business opportunities in this area could be the implementation of Internet type cafes; and



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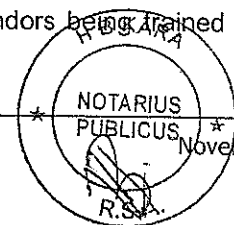
- ii. Providing access to other Mining Operations that also make use of Quest.
- c) The introduction of a points system which will be based on the following criteria:
 - i. Local community involvement;
 - ii. HDSA status;
 - iii. Pricing; and
 - iv. Gate system (safety/technical).
- d) Increase the single source motivation;
- e) Identification of contracts that will be only for local vendors;
- f) Standardize procurement processes in all areas of Anglo Platinum and its operations;
- g) When it comes to specific capital projects, there are contractual clauses in place that request the main contractor to make use of local vendors and labour as well. Although BRPM and its expansion project, Styldrift, only claim HDSA procurement spend on the first tier vendor, systems will be implemented to monitor the extend at which this transpires;
- h) The creation of a vendor data base that clearly identifies local vendors, commodities and services and their capacity;
- i) Closer interaction with the Anglo Zimele Enterprise Development Initiative, especially with the various funding options:
 - i. Enterprise development fund;
 - ii. Junior mining fund;
 - iii. Sustainable development fund;
 - iv. Identify deal flows and engineer deal flow;
 - v. Capitalize enterprises;
 - vi. Grow winning enterprises; and
 - vii. Support enterprises.
- j) Closer integration with social development initiatives out in the regions;
- k) The Company will provide a mentorship programme for all HDSA vendors. The offer of mentorship will be issued in writing to accredited vendors, and a written response to the offer will be a condition of registration as a supplier to the Company.

3.7.5 Anglo Zimele Enterprise Development Initiative

Empowerment and economic development through enterprise are the cornerstones for Anglo Zimele's activities. During 2006, a total of R34.4 million was invested in 18 new South African companies, across various sectors, which collectively employed more than 3 090 people in 2006. Anglo Zimele focuses on procurement, business development and, through the Anglo Khula Mining Fund, facilitates the entry of commercially viable junior mining ventures into the mainstream of the sector.

Anglo Zimele supports start-up or expanding businesses which exhibit commercial viability and growth prospects. Many of these companies find it very difficult to raise loans from commercial banks. Through the minority equity stake which it acquires, Anglo Zimele is able to work with the small or medium-sized enterprise's board of directors and provide strategic guidance and skills transfer, including advice on business principles, corporate governance, strategy and providing loan finance.

There is a strong emphasis on firstly: enterprise development and sustainability and secondly; the success of local HDSA vendors in the purchasing process. There needs to be a link between Supply Chain and Social Economic Development to ensure that HDSA vendors being trained are afforded



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opportunities and participate in contracts. Close cooperation with the Business Linkage Centres in identifying local HDSA vendors will be key in achieving the targets.

Targets for provincial HDSA procurement will be based on total discretionary spend. It is envisaged that for 2014, a target of 15% be applied. To enable BRPM to reach this target at Styldrift the local procurement strategy will be build on the model and success of Anglo Zimele. The model is based on the creation of decentralised business hubs (one-stop enterprise development and empowerment structures) with the support from other business units.

HUB roll out plan 2007

The Company has budgeted R1,5 million for each of the seven hubs planned. It is envisaged that three people will be employed at each hub starting initially with two. All the planned hubs will be rolled out by end of 2007 with an initial budget allocation of R2.7 million for 2007. Office space will be rented and no building will be owned by the Company or Zimele. The hubs will display the Company and Zimele branding.

Below is the implementation framework schedule for the proposed hubs:

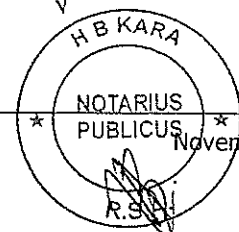
Table 26 Hub Implementation Framework

Timeline	Phase 1	Phase 2	Phase 3	Phase 4
	1 st Q 2007	2 nd Q 2007	3 rd Q 2007	4 th Q 2007
Planned Hub	Mokopane	Burgersfort	Rustenburg	Polokwane?
Structures	Lebowa	Thabazimbi	Mogwase	

The following project plan is currently in process and indicates which activities have been completed.

Table 27 North West Province Project Plan

Activity	Completed	In process	Completion date
Engage Mine Management and Supply Chain	√		
Budget approval process	√		
Scout existing initiatives		√	
Analyse and profile procurement database		√	
Prepare gap/needs analysis		√	
Communicate with key stakeholders		√	
Secure premises		√	
Identify and appoint staff		√	
Train staff		√	
Implement systems, software, etc.		√	
Spin, brand and promote		√	



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3.7.6 Preferential procurement policy

Criteria

Suppliers to BRPM that represent HDSA interests will be given preference on a scale that reflects the extent of HDSA equity which may vary from >25% to 100%. Other factors such as gender participation are also taken into account.

Preferential opportunities for discretionary procurement,³ in both capital and operating expenditure will be afforded to HDSA-owned or HDSA-empowered companies⁴. This preference will be ranked in terms of:

1. HDSA-owned companies > 50,1%;
2. HDSA-empowered companies > 25,0%;
3. HDSA-influenced companies 5,0-25,0 %; and
4. Companies without HDSA participation.

In all instances gender-influenced companies will be ranked a notch higher than their HDSA ranking would be if they were not gender-influenced. This ranking will, however, be subject to the condition that all transactions are based on sound commercial processes and conform to all of the Company's general procurement policies. The following purchasing criteria will be applied to bids:

- a) Where there are equal bids from different vendors, the contract will be awarded to the HDSA vendor in preference to a non-HDSA vendor;
- b) In the event that no HDSA organisations tender for the work, those suppliers tendering are to be encouraged to form partnerships with HDSA companies where possible; and
- c) Non-HDSA vendors could be considered if they are compliant with the BEE Codes of Good Practice and achieved acceptable scores.

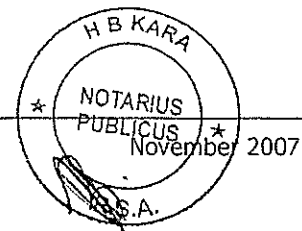
Guiding principles

The allocation of preferential status to HDSA suppliers presupposes that these are competent and competitive suppliers. All procurement processes will be transparent and subject to audit in accordance with sound business principles and practices. In addition, the current Anglo Platinum general procurement policy and procedures will apply. All potential vendors will compete through the same process and on equal platforms. The opportunities that will be provided by BRPM will therefore be subject to the following guiding principles:

- a) Commercial and financial viability;
- b) Added value to strategic commodity initiatives;
- c) Maintenance of ethical values;
- d) Maintenance of quality, health and safety standards;
- e) HDSA preferential procurement procedures will not compromise the basic elements surrounding the procurement principles. These include integrity, technical competence and sound commercial management;

³ See definitions in glossary under total discretionary spend and procurement spend.

⁴ Such expenditure will exclude employee wages and salaries but will include contractors.



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- f) All HDSA procurement processes will be transparent and subject to an audit in accordance with sound business principles;
- g) Vendor companies acquiring HDSA status will be required to go through an accreditation process; and
- h) Vender companies' compliance towards the BEE Codes of Good Practice will be taken in account and scores will be ranked for selection purposes.

The following Laws (codes) would also inform the BRPM empowerment imperative:

- a) The Preferential Procurement Framework Act (No. 5 of 2002);
- b) The Employment Equity Act (No. 55 of 1998);
- c) The Competition Act (No. 89 of 1998);
- d) The Skills Development Act (No. 97 of 1998); and
- e) BEE Codes of Good Practice.

Strategic processes will be developed around the following key areas:

- a) The development of new HDSA suppliers;
- b) Encouragement of existing non-HDSA suppliers to form partnerships/joint ventures with HDSA companies in circumstances where no HDSA Company tenders to supply goods or services; and
- c) Utilisation of existing HDSA vendors.

Within these procedures, all transactions are expected to be:

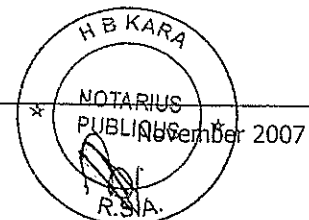
- a) Fair;
- b) Equitable;
- c) Transparent in terms of the process followed; and
- d) Competitive.

Procedures

BRPM's procurement policy and procedure will be controlled by the Company Supply Chain and will be consistent with Company standards. The procedure will not compromise the basic elements surrounding the procurement principles. The Company fully appreciates that HDSA vendors and especially SMMEs will advance through stages of development, growth and independence. Various forms of support will be implemented during these phases and will be the responsibility of the Business Development Officers (BDOs) together with the HDSA/SMME Manager when appointed.

The following procedures will be investigated for possible adaption:

- a) Procurement Teams will identify potential services and commodities required from the current database. This list will be forwarded to BRPM's BDO to identify HDSA vendors that can tender;
- b) The candidates appearing on this list will already have been accredited and the technical and commercial capabilities confirmed. This will be in line with a set of predetermined qualification criteria;



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- c) The Company Supply Chain will, in conjunction with BRPM's BDO, investigate the possibility of selecting certain portions of work from a large contract, which could be subcontracted to SMMEs. Certain large contracts could also be broken up into smaller lots, which could be sourced directly from SMME vendors;
- d) BRPM will also participate in various complementary mining industry initiatives such as the South African Mining Preferential Procurement Forum;
- e) Preferential procurement status will be given to HDSA vendors in accordance with the ranking guidelines as presented above; and
- f) The Procurement Teams may also request from vendors their HDSA development policy at request-for-quotation stage.

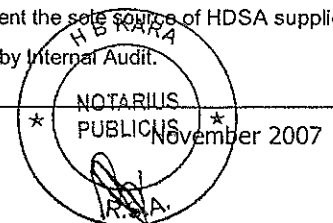
The following checklist for verification of HDSA suppliers will be applied:

- a) Appraisal of capacity and capability;
- b) Registration with Registrar of Companies (where applicable), South African Revenue Service, Workmen's Compensation, Unemployment Insurance Fund, and Regional Services Council / Skills Levies;
- c) Tax and VAT clearance certificates;
- d) Certificate of Incorporation (where applicable);
- e) Certificate to Commence Business (where applicable);
- f) Business profile (including Employment Equity, affirmative procurement and social development activities);
- g) Signed Share Certificates verifying a minimum of 25% HDSA ownership;
- h) CVs of owners and managers;
- i) Verifying bank account details;
- j) Credit checks (for example ITC);
- k) References and referrals;
- l) Interviews with management and HDSA partners to determine level of HDSA participation in the management and operations of the Company;
- m) Inspection of premises, machinery and equipment;
- n) Demonstration of sound financial standing and track record, for example, audited financial statements, bank references, customer and supplier references;
- o) Assessment of technical capability where required;
- p) Compliance with all Anglo Platinum's relevant policies;
- q) Audits will be conducted from time to time to verify the status quo of suppliers;
- r) Approved scope of supply;
- s) Indication of performance track record; and
- t) Compliance with BEE Codes of Good Practice.

Validation of HDSA status

All vendors to the Company are required to supply their HDSA credentials and these details will be stored on the Company's HDSA database⁵. These credentials must be accompanied by independent

⁵ A central database of HDSA suppliers is kept by the Group Supply Chain and will represent the sole source of HDSA supplier status organisations. The listing will be continuously updated and will be audited annually by Internal Audit.



certification either by the vendor's auditor or by a Company-approved accreditation agency such as Eezidex, Empowerdex or the South African Mining Preferential Procurement Forum.

In the event that an HDSA vendor has not been accredited, no preferred status will be considered. In the event that a vendor changes ownership during the period of supply, the vendor is required to notify the Company. The status will then need to be re-accredited.

Preferential payments

HDSA vendors will receive preferential payment terms where this is deemed justifiable. However, an appropriate settlement discount should be provided by the vendor.

Performance review

This procurement policy will be managed centrally but executed regionally. The Company Transformation Committee will undertake regular performance reviews of each of the operating entities. The Group Supply Chain will produce monthly records of percentage expenditure procured through HDSA companies, broken down into capital, consumables and services. The report will be distributed to the Financial and Information Managers every month for review in conjunction with the resident buyer and mine management teams.

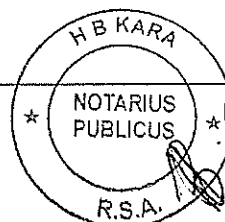
3.7.7 Contractor Compliance

All contractors and subcontractors, especially during construction of the mine will have to submit their BEE and SMME documentation with the tender:

- a) The company policy regarding support of small and/or medium enterprises;
- b) Supply a list of SMME companies that the contractor is currently supporting in terms of its policy;
- c) Brief overview of how the contractor intends giving effect to its SMME policy if awarded the contract;
- d) The company policy regarding black economic empowerment;
- e) The company objectives and targets for black economic empowerment;
- f) Provide a brief overview of the system used to monitor achievement in terms of BEE objectives and targets; and
- g) Brief overview of how the contractor intends giving effect to its BEE policy if awarded the contract.

3.7.8 Breakdown of Mine Procurement – Form T

Since the Styldrift Project is not yet operational, BRPM is not in a position to provide the necessary information as required in Form T of the Regulations under the MPRDA. The level of procurement from HDSA companies will be provided in a prescribed manner six months after production has started.



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SECTION 4

4 DOWNSCALING AND RETRENCHMENT PROGRAMME

4.1 THE ESTABLISHMENT OF THE FUTURE FORUM

Future forums are an outcome of the 1998 Presidential Job Summit, where the tripartite parties agreed on the implementation of a "Social Plan." In terms of that agreement the "Social Plan" seeks to put in place three sets of measures, or interventions namely:

- a) To prevent retrenchments taking place;
- b) Where retrenchments are unavoidable, they are managed humanely; and
- c) Where large-scale retrenchments have taken place, then measures to assist the affected individuals and communities to find alternative forms of employment or sustainable livelihood.

The establishment of a Future Forum is required under Regulation 46 (d) (i) of the MPRDA. A Future Forum is a site-specific labour-management body that will focus on the implementation and monitoring of the Social and Labour Plan

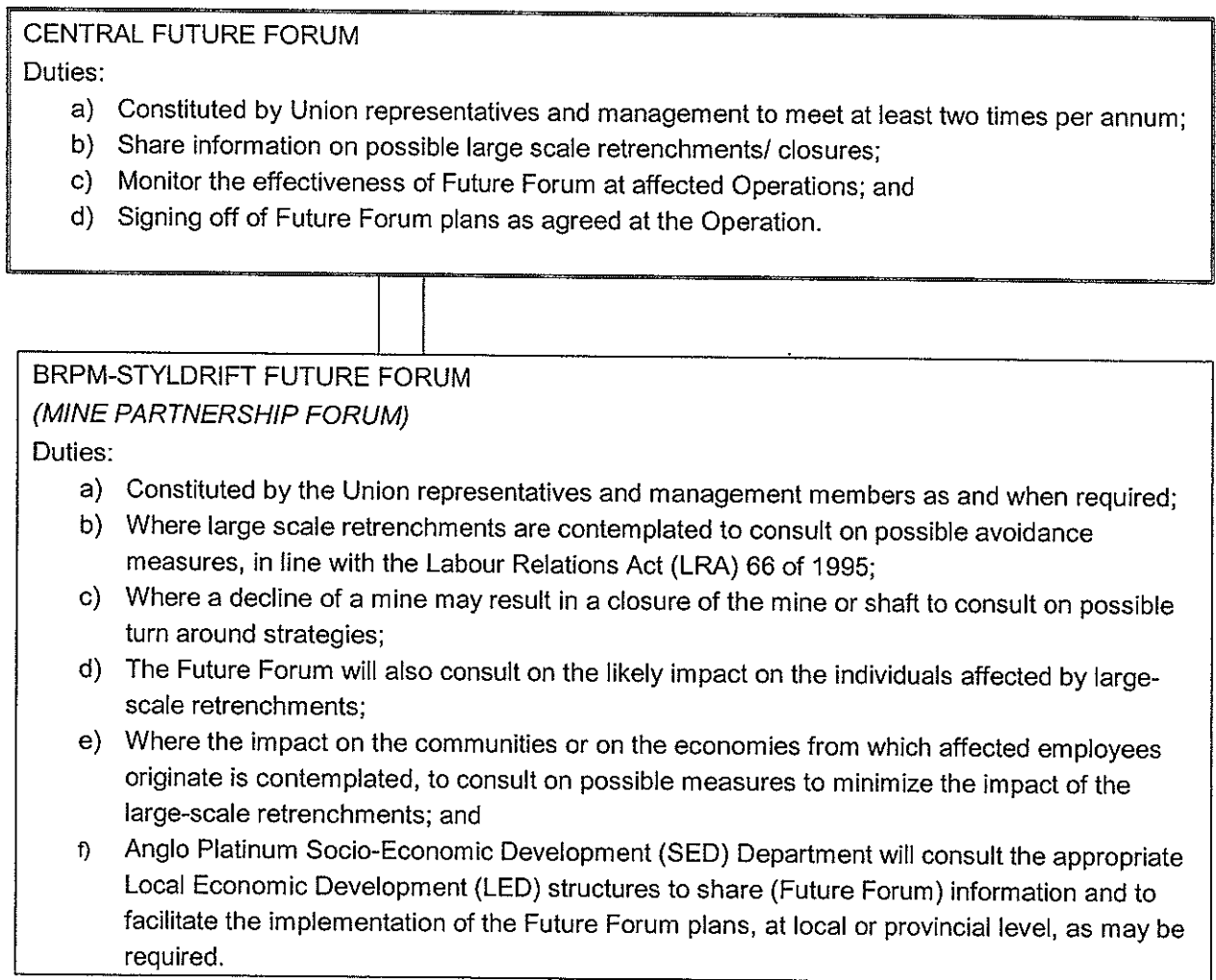
4.1.1 Strategies and objectives

For BRPM to address the above three objectives, it has established a structure known as the Mine Partnership Forum consisting of management, the workers and / or their representatives. The mandate of this forum is to "look ahead into the future, at problems facing Anglo Platinum and BRPM that may result in job losses and / or decline of the Company, and come up with possible solutions to address potential job losses or Organization decline". The Styldrift Project will follow BRPM's example by joining this Forum once it is operational in 2013.

This joint labour-management committee, at the mine-site level, will be utilised as a Future Forum and has the following specific objectives:

- a) To promote ongoing discussions / consultation between workers or their representatives and employers about the future of the mine and industry / sector;
- b) To look ahead / into the future to identify problems, challenges facing the mine and the industry or sector that may contribute to future job losses or decline of the mine and industry / sector, and to agree and propose possible solutions;
- c) To develop turnaround or redeployment strategies to help reduce job losses and to improve business sustainability;
- d) To structure and implement proposals agreed on by both BRPM and worker parties; and
- e) To notify the Minister of Labour of its proposals and to indicate if the Future Forum requires support in the implementation of its plans / proposals.

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Figure 11 Future Forum Structure

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

One of the requirements of the Future Forum is to have structures in place to facilitate the consultation processes so that mine management and recognised trade union representatives can meet on a monthly basis to discuss workplace issues. The intention is to provide a formal vehicle where all affected parties can consult and discuss challenges and possible solutions to problems facing the workplace that may have the potential to lead to large scale retrenchment in the future.

In line with the requirements of Regulations 46 (d) (ii) and (iii), BRPM will develop turnaround or redeployment strategies to reduce job losses and improve business sustainability. The two sections of this regulation have been combined, as BRPM's strategies to deal with these issues often overlap and are contained within the same policies.

4.2.1 Strategy and objectives

BRPM will develop strategies that will enable mine management to introduce appropriate measures in an attempt to prevent job loss in the event of circumstances threatening guaranteed employment.

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The most direct and appropriate intervention is for BRPM to assist employees who could be retrenched in securing alternative employment. BRPM has, in co-operation with Anglo Platinum and its other mining operations, put a number of mechanisms in place to mitigate the impact of job losses in the event of downscaling or closure of the mine. Certain processes will be followed when prevailing economic conditions cause the profit-to-revenue ratio of BRPM to drop below 6% on average for a continuous period of 12 months. These processes will include:

- a) Consultations – the consultation process in terms of Section 52 (1) of the MRPDA;
- b) Implementing Section 189 of the Labour Relations Act;
- c) Notification to the Minerals and Mining Development Board – the notification process to the Board in terms of Section 52 (1) (a) of the Act MRPDA;
- d) Complying with the Minister's directive and confirming how corrective measures will be taken;
- e) Internal transfers to other Anglo Platinum mines;
- f) Providing training for proxy earners; and
- g) Reskilling of workers for other jobs on the mine or for jobs outside the mining sector

4.2.2 Internal transfers to other Anglo Platinum mines

BRPM will support multi-skilling of employees. Where applicable, the mine will ensure that employees understand that jobs and duties, subject to individual skills and capabilities, are flexible within Anglo Platinum departments and mines such as BRPM. Consequently, as part of the strategy to broaden the skills base, BRPM will provide training and retraining in the employee's existing career path as well as in new technological developments.

This means that if security of jobs is threatened, BRPM is better placed to transfer an employee to another mine, division, department or section of Anglo Platinum. As per agreements with trade unions and other worker representative bodies, the transfer would only be implemented after consultation and reasonable notice to the employee.

4.2.3 Providing training for proxy earners

BRPM will develop policies to ensure that a proxy income earner⁶ is equipped to replace the income generated by the ex-mineworker. In line with the community skills development programme covered under poverty eradication in Regulation 46 (c) (iii), BRPM will introduce programmes for reskilling workers and skills training for workers' families. This strategy is a pre-emptive measure against the loss of employment and is aimed at diversifying the source of household income before mine retrenchment takes place. Initiatives of this nature will continue to be developed in conjunction with labour representatives.

⁶ Proxy income earners are relatives of an ex-mineworker who must support the family when the ex-mineworker's wages have ceased, for whatever reason.

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4.2.4 Reskilling of employees for internal and external employment opportunities

One of the objectives of multi-skilling workers is to increase the opportunity for alternative employment either in a different occupation on the mine or in a job outside the mining sector. In pursuit of this aim, BRPM will provide alternative skills training to workers to enable them to be in a better position to seek work in a greater variety of positions or occupations. The focus of this training is on subsistence, life skills and entrepreneurial activities. In addition BRPM intends to:

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

In the life skills education programme, BRPM intends to address critical retrenchment and retirement planning issues such as:

- a) Collection of mine pensions;
- b) Access to state benefits for pensioners;
- c) Financial planning for retirement; and
- d) Possibilities for supplementing pension income.

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

One of the requirements of the Future Forum is to have structures in place to facilitate the consultation processes so that BRPM management and recognised trade union representatives can meet on a monthly basis to discuss workplace issues. The intention is to provide a formal vehicle where all affected parties can consult and discuss challenges and possible solutions to problems facing the workplace that may have the potential to lead to large scale retrenchment in the future.

In line with the requirements of Regulations 46 (d) (iii), BRPM will develop turnaround or redeployment strategies to attempt to provide alternative solutions for creating job security should job losses become unavoidable.

4.3.1 Strategy and objectives

BRPM will develop strategies that will enable mine management to introduce appropriate measures in an attempt to provide alternative solutions for creating job security where job losses cannot be avoided.

Besides disciplinary action, the primary reasons for loss of employment are technological changes, redundancies, retrenchments, mine closure, adverse economic and trading conditions, and business process streamlining.

Under these circumstances, the key issues that need to be considered are the degree of dependence of the mine community and the labour-sending areas on BRPM's operations, and the policies and procedures in place at BRPM to help provide financial security for individual employees. On a more formal HR policy level, the Anglo Platinum Retrenchment Policy, Retirement Policy and Medical Repatriation Policy provide compensation in line with South African labour legislation for job loss or retirement funding. When BRPM is to be scaled down (with the possible effect of job losses) or when mining and production are to cease, the following processes will be followed:

- a) Consultations – the consultation process in terms of Section 52 (1) of the Mineral and Petroleum Resources Development Act (MPRDA), 2002;
- b) Implementing Section 189 of the Labour Relations Act, which will deal with possible retrenchment details;
- c) Notification to the Minerals and Mining Development Board in terms of Section 52 (1) (b) of the MPRDA; and
- d) Communicating possible retrenchments – an effective communication strategy will be followed:
 - i. Informing employees of possible retrenchments at the mine;
 - ii. Informing other affected parties (such as sending areas and their municipalities) of the possible retrenchments; and
 - iii. Informing outside parties (such as the media) of the possible retrenchments.

4.3.2 Alternative solutions for creating job security

Support for SMMEs

There may be people affected by downscaling operations who are keen to start their own enterprises. In this context, BRPM will consider the following options, which have been suggested by the Department of Labour:

- a) Facilitate links with a Local Business Service Centre and other appropriate support institutions;
- b) Provide business support services to workers while they are still at work and can explore their options;
- c) Give assistance and mentoring in feasibility studies and the development of business plans;
- d) Include business and technical training for self-employment;
- e) Provide time off so that workers can undergo such training before they leave their workplace;
- f) Identify opportunities for SMMEs to supply BRPM with goods or services; and
- g) Engage with banks and other lending institutions to explore and facilitate arrangements for workers who want to use all or part of their retrenchment packages as collateral security for business loans.

Retrenchment and redundancy compensation

There is a diverse range of circumstances in which retrenchment of workers eventually becomes the only appropriate solution to the economic viability of BRPM. Retrenchment of employees generally arises out of changing operational requirements and is only pursued after all other avenues of alternative employment have been investigated. Before any measures are taken, BRPM intends to consult with all registered trade unions whose members may be affected by the retrenchments/redundancies.

On retrenchment or redundancy, employees receive benefits from either the Retirement Fund to which they belong or the Provident Fund. For employees belonging to one of the Retirement Funds, the benefit is a cash lump-sum equal to the employee's contributions to an elected portfolio. Employees who are members of the Provident Fund receive a cash lump sum equal to the contributions Anglo Platinum has made towards their retirement benefits, regardless of the number of years the employee has been a member of the fund.

BRPM will request statutory facilitation at the start of any consultation process with relevant stakeholders. Mine management would approach the Department of Labour for the utilisation of its resources and support services, such as counselling services, and placement services offered by its Labour Centres. The consultation process calls for effective communication between the prospective retrenchees, who could be affected by the large-scale retrenchment, and mine management. An important aspect that would receive consideration is the impact that such retrenchments would have on those employees who remain at the workplace and are not retrenched.

BRPM plans to offer prospective retrenchees:

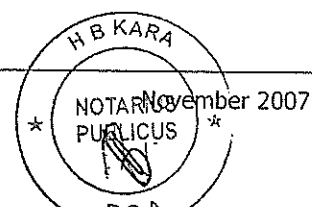
- a) Skills assessments and written recognition of their prior learning, experience and qualifications;
- b) Assessment of potential and actual career planning;
- c) Referrals to accredited training providers;
- d) Consideration for bursary initiatives;
- e) Step-by-step guidelines on starting an own business;
- f) Job-hunting tips; and
- g) Assistance in identifying labour market opportunities, local economic development initiatives plus any other employment opportunities.

4.3.3 Retirement policy

In its Conditions of Employment, BRPM will make provision for pension plans for each of its employees.

All employees of Anglo Platinum are required to become members of a Retirement, Pension or Provident Fund as provided for in their individual Conditions of Employment. Membership is generally determined by both the Paterson Band into which the employee falls and, if applicable, the bargaining unit. The Pension Funds no longer admit new members.

The Amplats Group Provident Fund was established in 1980 and provides benefits for contributing employees (members) and their dependants on retirement through either age or ill-health. On retirement, all contributions by the member and Anglo Platinum, plus profit and interest but less tax, are paid out to the member as soon as possible after retirement.



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Anglo Platinum operates four retirement funds. On retiring at normal retirement age, the member receives a benefit equal to their contributions. A maximum of one third of the benefit at retirement may be taken in cash; the balance is then used to purchase a pension annuity from a registered insurance Company of the employee's choice.

4.3.4 Medical repatriation compensation

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

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

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

This section considers the impacts of downsizing and closure on the mine community and the labour-sending areas. Planning for closure and downsizing takes place throughout the life cycle of the mine, from exploration through to post-closure rehabilitation. BRPM intends to ensure that the livelihoods of its mineworkers, residents and families are sustained despite the downsizing or closure of the mine.

4.4.1 Strategy and objectives

At the end of the life of the Combined Mine, the Joint Venture Parties shall, subject to the provisions of the EMPR and the Closure Certificate:

- a) Not demolish or remove immovable improvements on the Joint Venture Area unless requested to do so, in writing, by RBN;
- b) Remove all debris, whether resulting from mining operations or the demolish of the buildings and structures, as well as any other objects which RBN may require the Joint Venture Parties to remove; and
- c) Restore the Mining Area in accordance with the EMPR.

BRPM's closure plan considers the optimum use of mine land and infrastructure during the operational phase, as well as the closure phase of the mining life cycle. This plan will be a focus area of BRPM's Local Economic Development (LED) strategy to diversify the economy and will take into account the potential social benefits of utilizing the existing land and infrastructure. Of importance is the consideration of alternative uses of the physical infrastructure in the event of mine closure, which will require an amendment to the existing Environmental Management Plan Reports (EMPRs) in consultation with the Department of Minerals and Energy. Note that the Styldrift EMP has not been

completed as this Social and Labour Plan forms part of the application of a new mining right with the EMPR process to commence thereafter.

While the Social and Labour Plan is geared towards mitigating the impact of mine-closure on the mine community, specific planning is required regarding the concurrent and post-mining use of the physical assets of BRPM for potential community development purposes. These physical assets include:

- a) Land holdings by the mine;
- b) Physical infrastructure;
- c) Social infrastructure;
- d) Commercial and industrial infrastructure;; and
- e) Administrative infrastructure.

All infrastructure and mine management programmes on projects will be conceived and implemented within the context of the accepted standards of sustainable development and within the framework of the Joint Venture Agreement.

BRPM will make every effort to ameliorate the social and economic impact on individuals, regions and economies where retrenchment and closure is certain. These initiatives will focus on:

- a) Assessment and counselling services for affected individuals;
- b) Comprehensive self-employment training and re-employment programmes;
- c) Training and mentorship of community members; and
- d) Closure planning.

4.4.2 Assessment and counselling services

The Company will consider providing counselling through professional counsellors. Requests for such counselling are to be directed to the Manager Human Resources.

4.4.3 Self-employment training and re-employment programmes

BRPM recognises that its proposed mining operation has a limited life span and that the demands of the business could require a reduction in human resources in the future. BRPM intends to equip the future work force – as well as members of the community – with portable skills that will benefit the individuals concerned. These initiatives will be aligned to the North West Province's Provincial Growth and Development Strategy. To realise this commitment, BRPM will offer the following portable skills:

- a) Torch Cutting and Welding;
- b) Security Gate Manufacturing;
- c) Fence Making;
- d) Bread Baking;
- e) Computer Skills Training; and
- f) Basic Business Skills.

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

4.4.4 Training and mentorship of community members

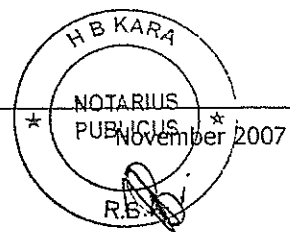
BRPM undertakes to consider assisting in the establishment of the various business structures where shareholders or appointees will be trained and mentored in the appropriate business and technical skills as a kernel focus of the LED programme. Other capacity initiatives would include:

- a) Training and educating community leaders and owners to manage the resources in a sustainable manner;
- b) Understanding the post-mining use potential of the mining infrastructure, land and natural resources;
- c) Paying for essential resources such as water and power after mining;
- d) Communication skills;
- e) Negotiations in terms of the economic aspects after closure; and
- f) Ensuring that the non-renewable mineral resources can be replaced by the enhancement of biologically renewable resources.

4.4.5 Closure Planning

BRPM is currently developing a Sustainable Development (SD) Vision and Management System for BRPM which will be linked directly with its closure vision. The SD and closure visions are translated then into an SD plan, linked closely to closure plan.

See Environmental Management Plan for details.



SECTION 5

5 FINANCIAL PROVISION

Table 28 Financial Provision for the Implementation of the Human Resources Development Programme

OPERATIONAL HRD BUDGET	Forecast				
	2008	2009	2010	2011	2012
Learnerships	R 0	R 0	R 3 750 000	R 3 000 000	R 3 750 000
Mentorship	R 0	R 0	R 0	R 120 000	R 100 000
Bursaries	R 0	R 0	R 1 900 000	R 1 900 000	R 1 900 000
Cadet Scheme	R 0	R 0	R 0	R 0	R 200 000
MDP & JMP	R 0	R 0	R 50 000	R 100 000	R 100 000
Skills assessment	R 200 000	R 0	R 0	R 0	R 200 000
Portable skills	R 0	R 0	R 0	R 1 000 000	R 1 500 000
Working costs (including all facilities, training material and resources)	R 0	R 0	R 0	Feasibility Study to determine way forward	
TOTAL	R 200 000	R 0	R 5 700 000	R 6 120 000	R 7 750 000

Table 29 Financial Provision for the Implementation of the Local Economic Development Programmes

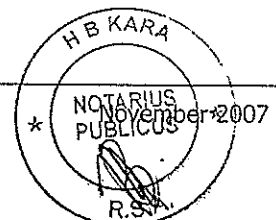
FOCUS AREA	Forecast				
	2008	2009	2010	2011	2012
1. Basic infrastructure	R3 100 000	R 3 200 000	R 3 320 000	R 3 400 000	R 3 570 000
2. Education	R2 500 000	R 2 600 000	R 2 700 000	R 2 800 000	R 2 900 000
3. Entrepreneurship for job creation/ poverty alleviation	R1 000 000	R 1 037 000	R 1 075 000	R 1 115 000	R 1 156 000
4. Housing and social development	R2 600 000	R 2 690 000	R 2 795 000	R 2 899 000	R 3 000 000
5. Skills training programmes	R1 000 000	R 1 037 000	R 1 075 000	R 1 115 000	R 1 156 000
TOTAL	R10 200 000	R10 564 000	R10 965 000	R11 329 000	R11 782 000

Financial provision to manage downscaling and retrenchment

The provision for retrenchment will be based on the following model and the severance packages will be calculated using the formula as detailed below:

- a) 2 weeks per one year service with Anglo Platinum;
- b) 1 month notice pay; and
- c) Leave provision equivalent to 30 days.

The above provision will be consistent with Anglo Platinum Retrenchment Policy and may be altered in terms of applicable legislation and or collective agreements with stakeholders.



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5.1 AN UNDERTAKING BY THE HOLDER OF THE MINING RIGHT TO ENSURE COMPLIANCE WITH THE SOCIAL AND LABOUR PLAN AND TO MAKE IT KNOWN TO EMPLOYEES

We, the undersigned and duly authorised thereto by the ROYAL BAFOKENG NATION (the applicant) and BRPM (the management agent), for the application of a new order mining right, undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour plan and make it known to our employees.

Signed at _____ on this _____ day of _____ 20____

(1)

Name of responsible person _____

Designation _____

Signature of responsible person _____

(2)

Name of responsible person _____

Designation _____

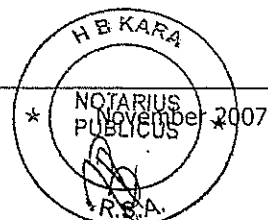
Signature of responsible person _____

Approved

Signed at _____ on this _____ day of _____ 20____

Signature: _____

Designation: _____



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SECTION 6

6 APPENDICES

6.1 APPENDIX 1: GLOSSARY

Broad-based Socio-economic Empowerment (BBSEE)	<p>Refers to a social or economic strategy, plan, principle, approach or act, which is aimed at:</p> <ol style="list-style-type: none"> Redressing the results of past or present discrimination based on race, gender or disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries; and Transforming such industries so as to assist in, provide for, initiate, facilitate or benefit from: <ol style="list-style-type: none"> Ownership participation in existing or future mining, prospecting, exploration and beneficiation operations; Participation in or control of management of such operations; Development of management, scientific, engineering or other skills of HDSAs; Involvement or participation in the procurement chains of operations; and Integrated Socio-economic Development of host communities, major labour-sending areas and areas that (due to unintended consequences of mining) are becoming ghost towns, by mobilising all stakeholder resources.
Community	<p>A coherent social group of persons with interests in or rights on a particular area of land. The members hold or exercise these interests or rights communally in terms of an agreement, custom or law.</p>
Contractors	<p>Contractors are defined as those workers with which the mine has a strategic relationship and who are in jobs that potentially could be performed by the mine's own employees such as stoping, development, cleaning and sweeping. The definition excludes short-term contracts of less than 12 months and once-off specialist and service providers such as those involved in housing projects and capital expansion.</p>
Employee	<p>An employee is defined as any full-time person who directly works for the owner of a reconnaissance permission/permit, prospecting right, mining right, mining permit, technical co-operation permit, exploration right and production right and who is entitled to receive any direct remuneration from the holder of any of the above-mentioned rights.</p>



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Historically Disadvantaged Person (HDP)

- a) Any person, category of person or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) took effect;
- b) Any association, a majority of whose members are persons contemplated in Paragraph (a); and
- c) Any juristic person other than an association, in which persons contemplated in Paragraph (a) own and control a majority of the issued capital or members' interest and are able to control a majority of the members' votes.

Historically Disadvantaged South African (HDSA)

Refers to any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation. In this plan HDSA refer to Black, Coloured, and Indian male and female and white female.

HDSA management participation %

The number of HDSAs in management divided by the total number of management positions.

Integrated Development Plan (IDP)

- a) A plan aimed at the integrated development and management of a municipal area as contemplated in the Municipal Structures Act (Act 117 of 1998); and
- b) For the purposes of this Social and Labour Plan, IDP is taken to mean the IDP for all those municipalities falling within the determined mine community from which more than 10% (the significance factor) of the mine's labour is sourced.

Labour-sending areas

Municipalities from which current employees have been recruited.

Local labour

Those employees recruited locally from within the mine community.

Major labour-sending area (see also Labour-sending areas)

- a) In the context of the **mine community**, a major labour-sending area is a municipality from which more than **10%** of the mine's workforce is sourced; and
- b) In the context of **rural areas outside the mine community**, a major labour-sending area is a municipality from which more than **5%** of the mine's workforce is sourced. Special consideration is given to the municipalities hosting such communities because of:
 - i) The scattered nature of rural labour-sending areas and the need to focus the effort of the mine's rural development strategy and its programmes;
 - ii) The need to work within the framework of the Integrated Development Plans (IDPs) of these communities in order to leverage the mine's efforts; and
 - iii) The need to ensure that those communities directly affected by the mine's prospective closure are equipped to meet that eventuality.



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Management

All employees within the Paterson D, E, and F Bands.

Migrant labour

Migrant labour refers to workers who originate from the rural labour-sending areas, who live in hostels or other mine-provided accommodation, and who have no formal local dependants. Three types of migrant labour are referred to in this Social and Labour Plan:

- a) Provincial migrant workers are those who come from areas within the mine's host province but outside the mine community;
- b) South African migrant workers are those who come from other South African provinces; and
- c) Foreign migrant workers are those who come from neighbouring SADC states. It is these workers that are referred to as migrant workers in the Mineral and Petroleum Resources Development Act.

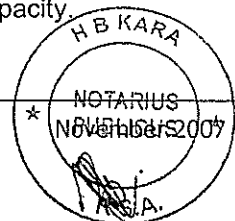
The mine community is defined as those towns, villages and settlements that fall within a 50 km radius (or greater radius, if appropriate) of the mine.

As far as the Social and Labour Plan is concerned, only the municipality (or municipalities) within the mine community from which the mine sources 10% or more of its labour are regarded as major labour-sending areas. Special consideration is given to these municipalities because of the requirements for planning and implementation of Integrated Development Plans (IDPs).

Mine community

Mine community issues that are directly and indirectly required by the regulations to be addressed in this Social and Labour Plan are:

- a) Existing and expected patterns of human settlements and villages within this community;
- b) Patterns of labour sourcing for the mine;
- c) Common commuting habits to and from the mine on a daily or weekly basis for the purpose of work;
- d) Spending patterns of the mine's employees;
- e) The use of social amenities, recreational facilities and infrastructure;
- f) Commercial and industrial linkages;
- g) Provincial and municipal boundaries;
- h) Existing and proposed functional boundaries, including magisterial districts;
- i) Existing and expected land use, transport modes and routes;
- j) The need for coordinated social development programmes and services including the need for housing, nutrition and healthcare; and
- k) The need to rationalise the delivery of sustainable services and other socio-economic programmes as committed to in this Social and Labour Plan, particularly with respect to pragmatic delivery, financial viability and the mine's administrative capacity.



Handwritten notes:
 L.G.
 A.2.0
 M.1.1
 S.

Municipality

A local municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls and which is described in section 155 (1) of the Constitution as a category B municipality.

A rural labour-sending area is a municipality outside the mine community from which the mine sources its labour. It is almost always located in what is traditionally regarded as a rural area such as the Eastern Cape Province.

Rural labour-sending area (see also Major labour-sending areas)

The following rural labour-sending issues are required by the MPRDA regulations to be addressed in this Social and Labour Plan:

- a) Patterns of labour sourcing for the mine;
- b) Areas of traditional rural communities;
- c) Existing and proposed functional boundaries, including magisterial districts;
- d) Wage remittances to such areas;
- e) Existing and expected land use, transport modes and routes;
- f) The need for coordinated social development programmes and services, including the need for housing, nutrition and healthcare; and
- g) The need to rationalise the delivery of sustainable services and other socio-economic programmes as committed to in this Social and Labour Plan, particularly with respect to pragmatic delivery, financial viability and the mine's administrative capacity.

Total discretionary spend is that portion of mine capital and working cost component which comprises of expenditure over which the mine management has discretion. The working cost component is made up of the mine's total ongoing operating expenditure less that money paid to:

Total discretionary spend

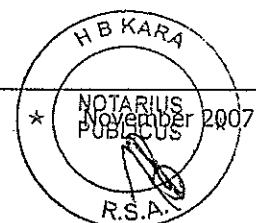
- a) Government:
 - Central Government departments;
 - Parastatal companies;
 - Provincial Government; and
 - Municipalities and other local authorities.
- b) Imported proprietary technology;
- c) Key raw materials; and
- d) Inter-Company transfers.

Total procurement spend

Expenditure on capital goods, consumables and services. This includes both discretionary and non-discretionary expenditure.

Transitional workers

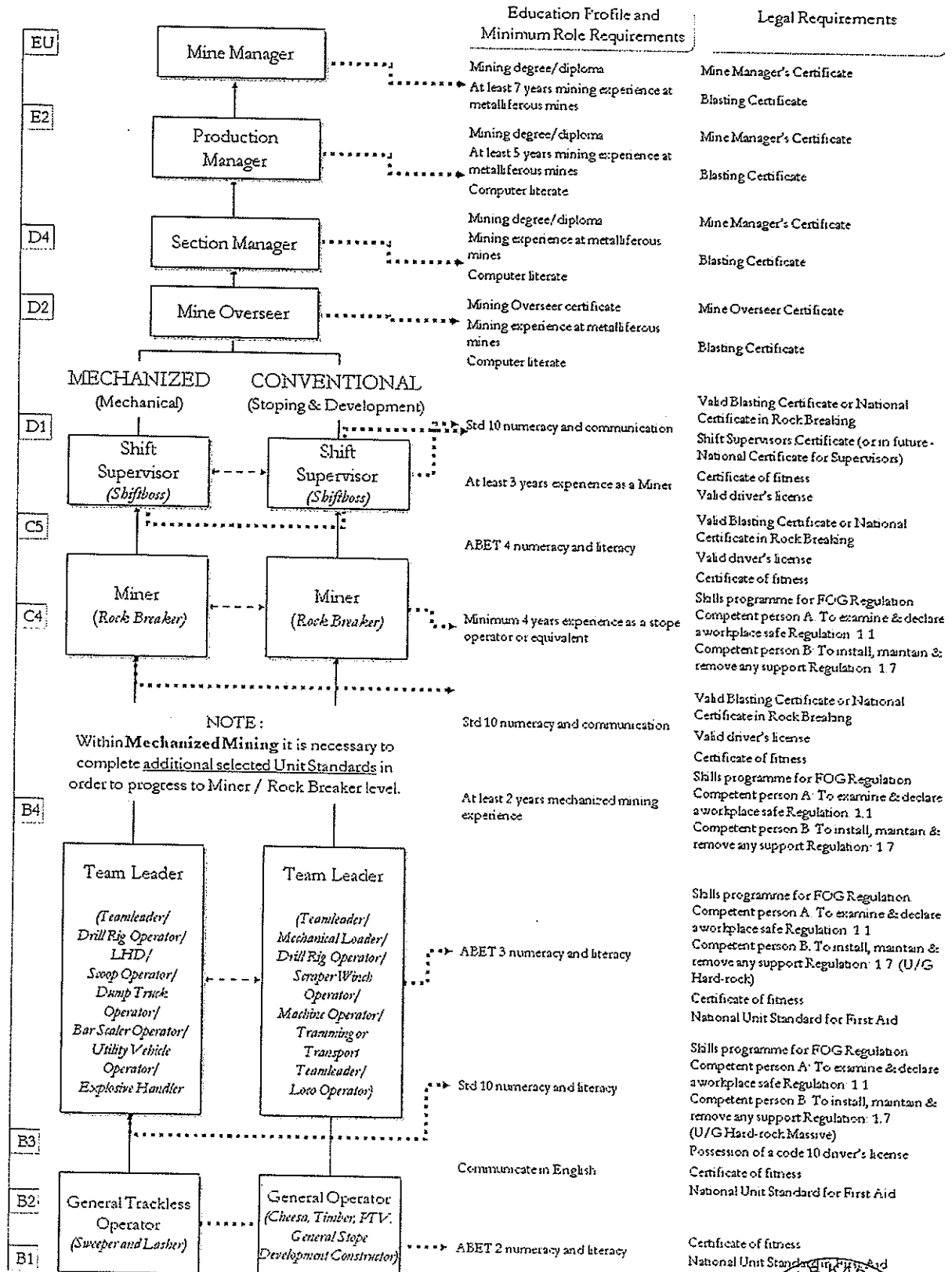
Those workers who originate from rural labour-sending areas (such as the Eastern Cape Province), who have established local, urban (second) families but support other (first) families in the rural areas.



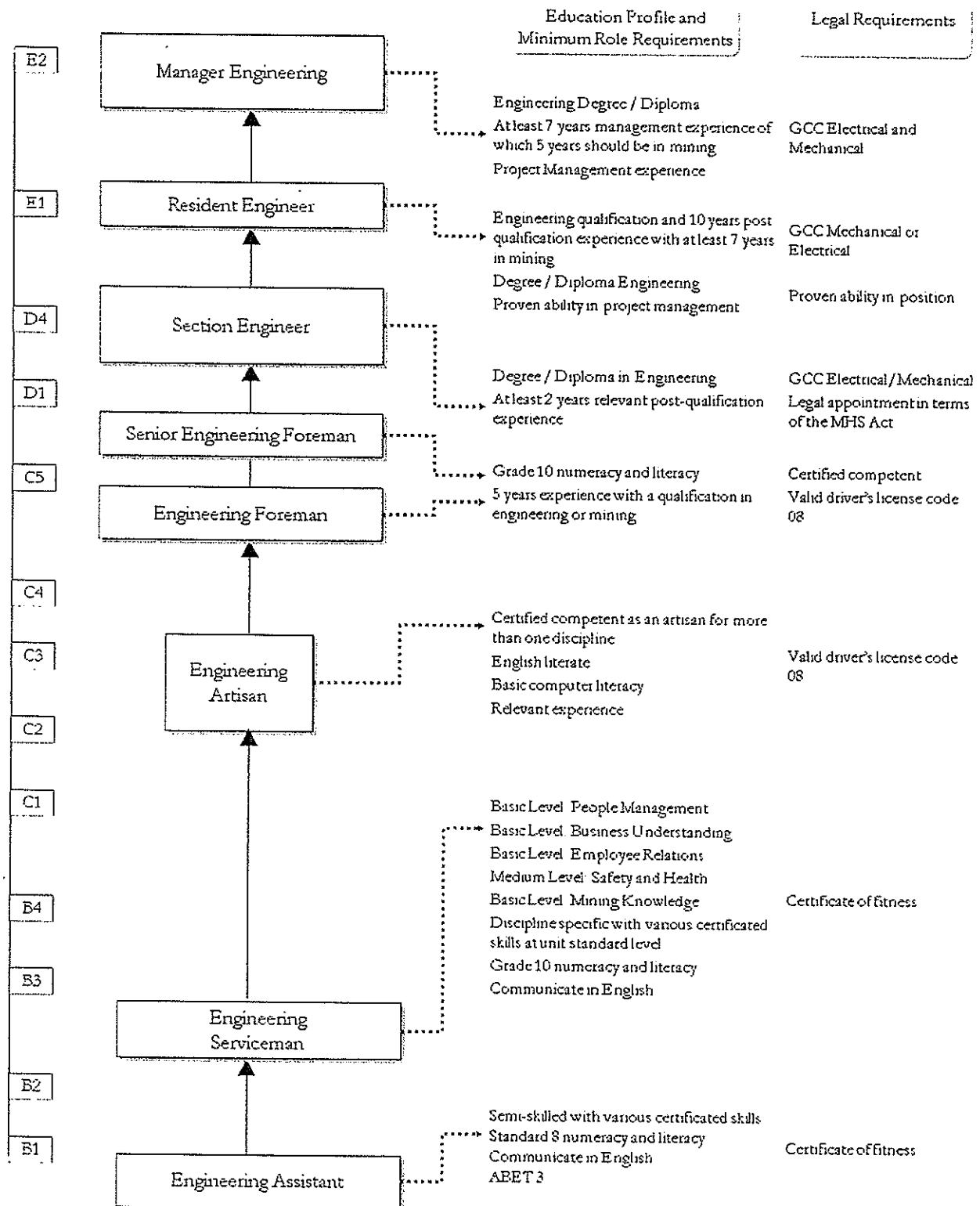
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6.2 APPENDIX 2: CAREER PATH MATRICES

Career Path Matrix – Mining

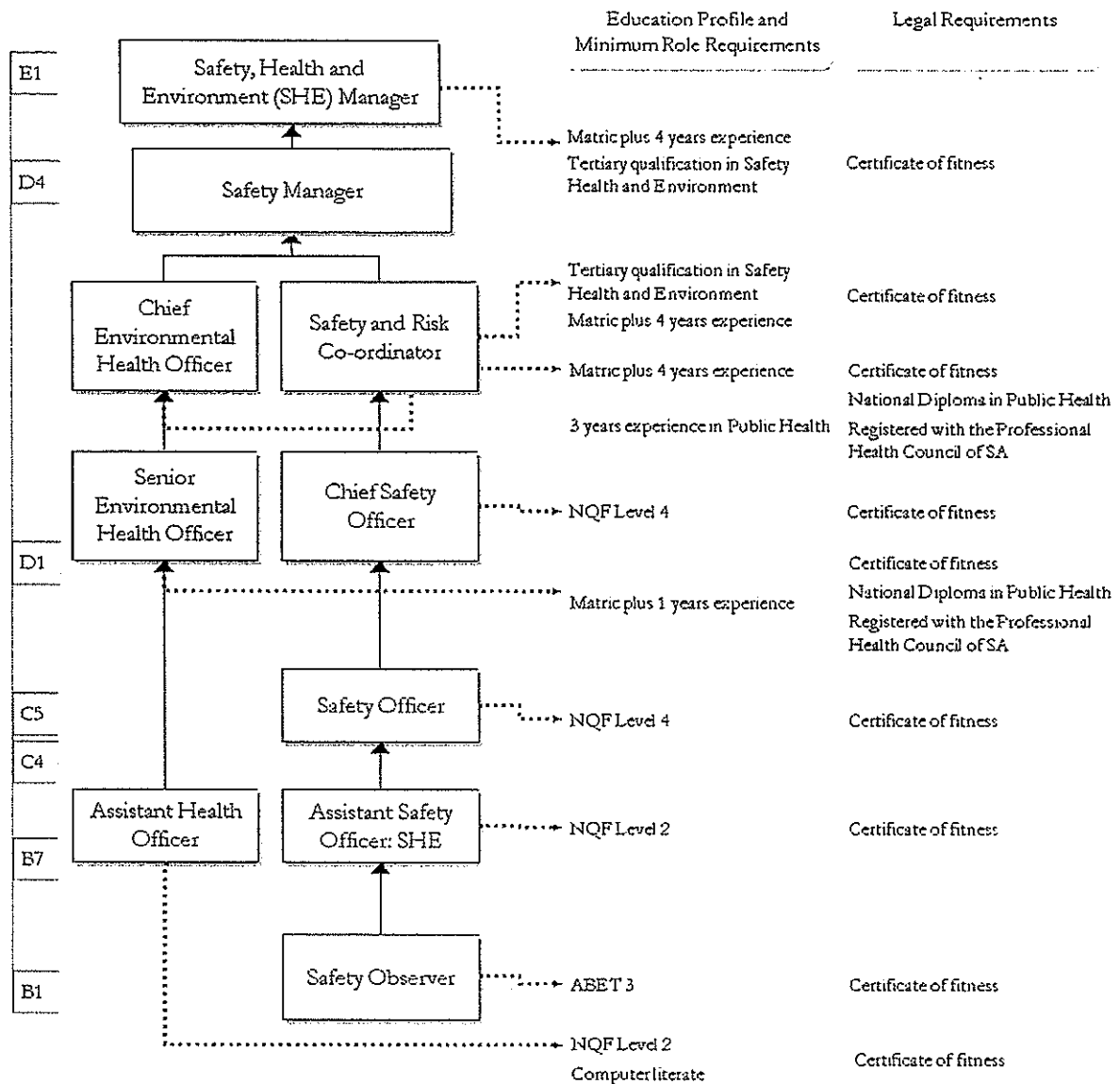


Career Path Matrix – Engineering

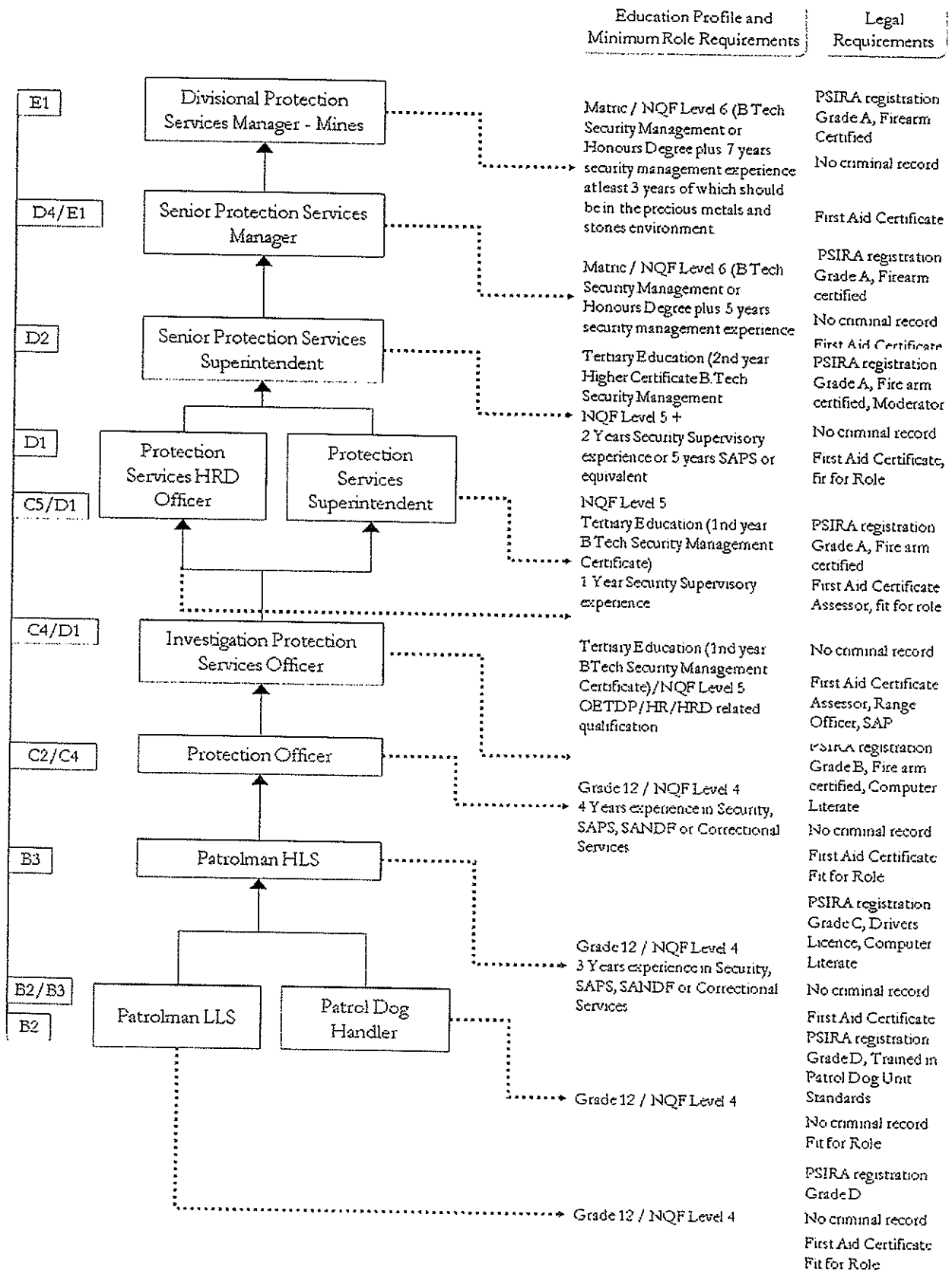


L.C.
A. H. D.
M.T.W.
A.H.

Career Path Matrix – Safety, Health and Environment

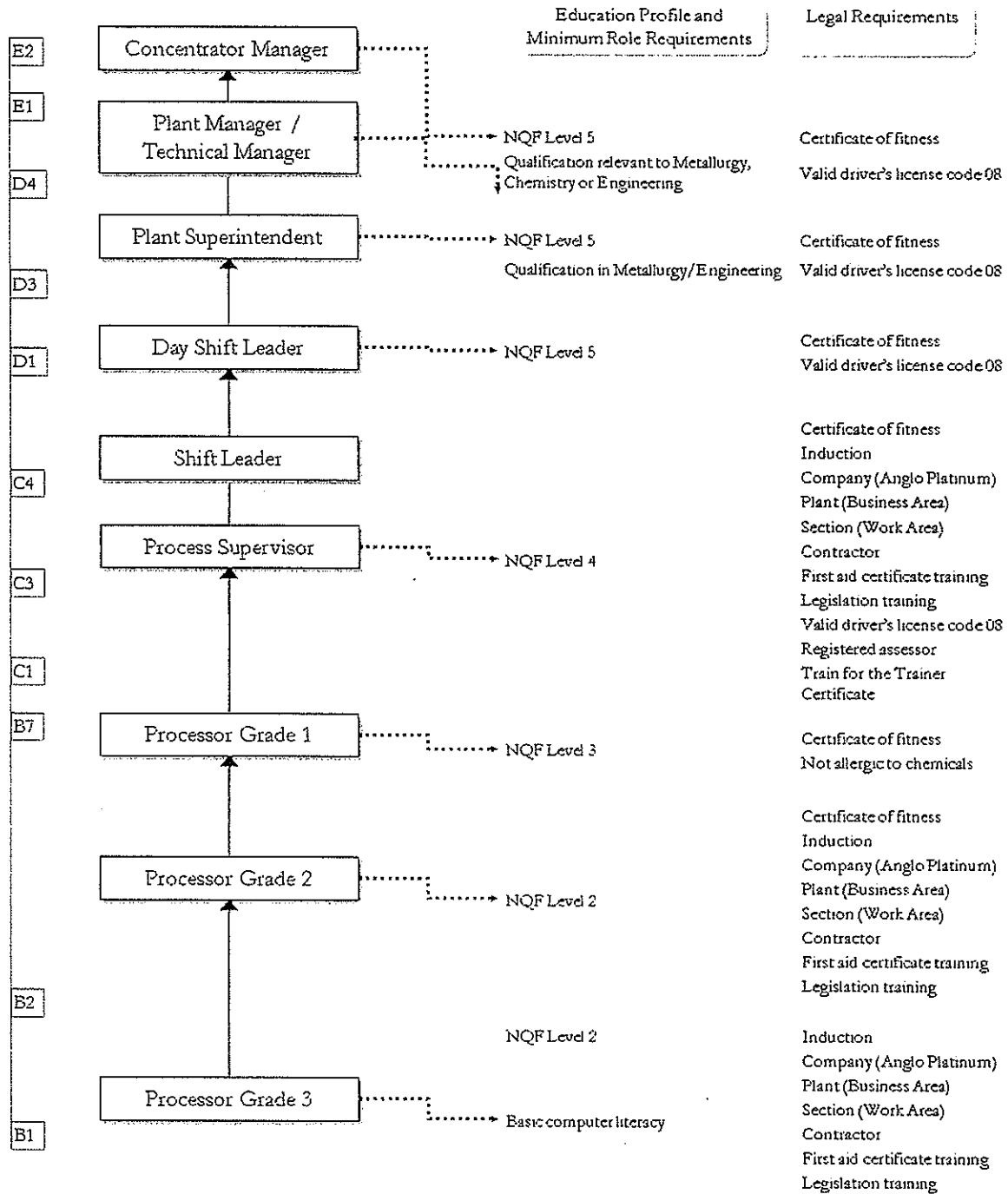


Career Path Matrix – Protection Services

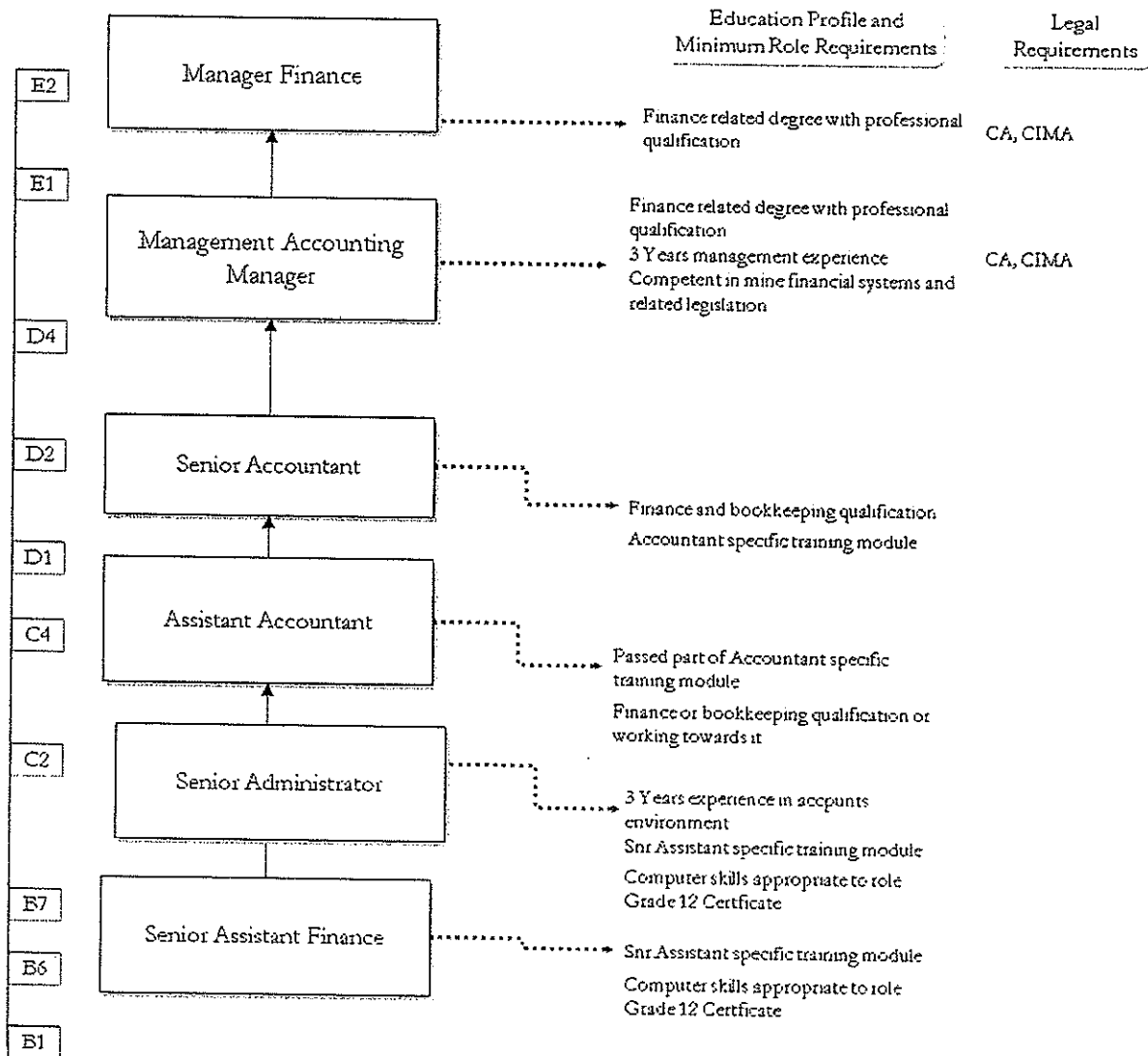


L.C.
A. Z. A.
M. W.
A. J.

Career Path Matrix – Metallurgy

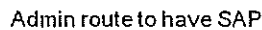


Career Path Matrix – Finance and Information



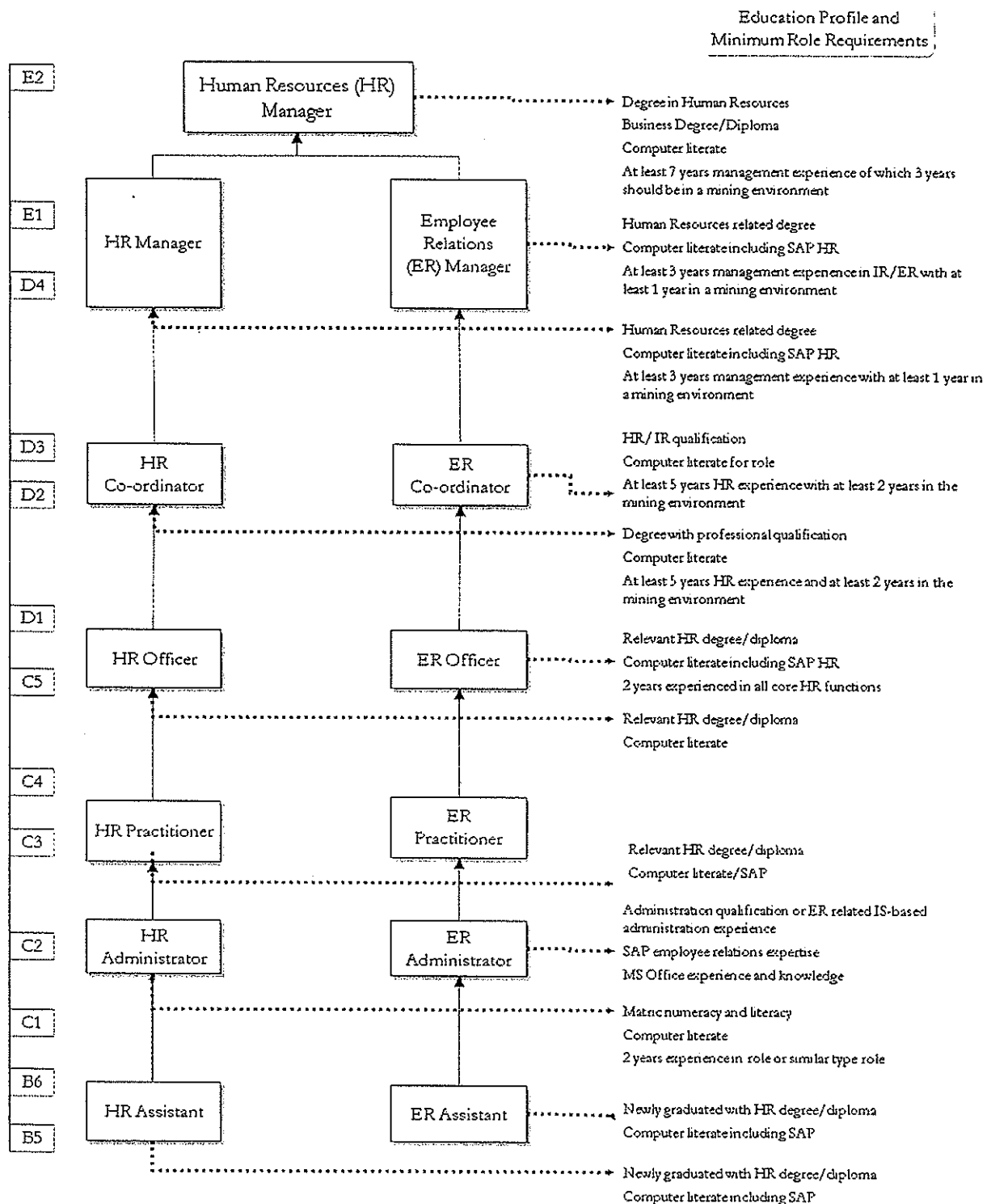
L.C.
H.B.
MIM

Education Profile and Minimum Role Requirements



L.C.B.
A.Z.B.
MIND
J/C

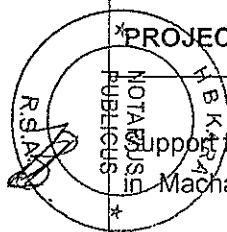
Career Path Matrix – Human Resources



L. C. A.
P. A. A.
MINI
SK

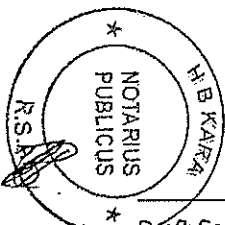
6.3 APPENDIX 3: LED PROJECTS TEMPLATES

FOCUS AREA 1: BASIC INFRASTRUCTURE							
1.1 INFRASTRUCTURE SUPPORT FOR MACHARORA							
BACKGROUND Macharora (the villages of Mafenya / Chaneng / Robega / Rasimone) requires certain infrastructure to accommodate the influx of job seekers as well as to uplift the existing communities. The following projects in conjunction with various stakeholders such as RBN, Rustenburg Local Municipality and other mining companies will be implemented once all stakeholders have excepted their responsibilities in terms of project management and financial management: a) A joint sewage plant for Boshhoek (±500 units), the mines and the surrounding villages; b) A Health Centre for Macharora; c) A joint housing project at Boshhoek; and d) A taxi station for Macharora.				OBJECTIVES Contribute towards the upliftment of the communities by providing and establishing required infrastructure.			
PERFORMANCE INDICATORS To be anounced	TARGET GROUPS (beneficiaries) 90 000 people	LOCATION Mafenya, Chaneng, Robega and Rasimone Villages.		VALUE ADDED Contributes towards infrastructure development			
*PROJECTS Support for infrastructure development in Macharora	RESPONSIBILITY BRPM, RBN, RLM and other mining companies (to be announced)	TIMEFRAME					
		2008	2009	2010	2011	2012	TOTAL
		R3 100 000	R 3 200 000	R 3 320 000	R 3 400 000	R 3 570 000	R 16 590 000



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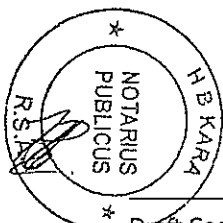
FOCUS AREA 2: EDUCATION							
2.1 BUILDING AND CONSTRUCTION OF SCHOOLS AND RELATED INFRASTRUCTURE							
BACKGROUND The need for adequate and good quality schooling is very important for the community and Anglo Platinum's future developments. Neighbouring communities lack the availability and capacity for proper schooling environment to cater for the growing needs of the growing environment.					OBJECTIVES Renovations and additions at schools:		
PERFORMANCE INDICATORS Successful building of classrooms at schools within the stipulated time frame.	TARGET GROUPS (beneficiaries)	LOCATION 1. Boshhoek, 2. Ledig 3. Robega 4. Rustenburg 5. Mafenya			VALUE ADDED • Contribute towards quality of education • Develop infrastructure to satisfy capacity need		
PROJECTS	RESPONSIBILITY	TIMEFRAME					
		2008	2009	2010	2011	2012	TOTAL
1. Renovations and additions of schools	BRPM	R2 500 000	R 2 600 000	R 2 700 000	R 2 800 000	R 2 900 000	R 13 500 000



FOCUS AREA 3: ENTERPRISE DEVELOPMENT/ENTREPRENEURSHIP FOR JOB CREATION/POVERTY ALLEVIATION

3.1 Entrepreneurship development

BACKGROUND BEE companies are often excluded from procurement opportunities and participation. There is a need to address this issue and to empower BEE companies to access procurement. A structured empowerment programme that offers training is required. There is also a need to offer non-financial assistance to new businesses. BRPM will launch a project that targets people who have a business idea and helps them develop their idea into a viable business.			OBJECTIVES <ul style="list-style-type: none">• To empower BEE companies to access BRPM's supply chain.• To support and develop SMMEs• To support and develop entrepreneurs• To create an environment conducive to economic development				
PERFORMANCE INDICATORS <ul style="list-style-type: none">• Training programme in place to capacitate BEE companies• BEE companies attending training interventions	TARGET GROUPS (beneficiaries) Business communities and BEE companies, operating within the mine community	LOCATION Rustenburg Local Municipality	VALUE ADDED <ul style="list-style-type: none">• Assistance to the business community• Job creation in the community• BEE companies offered needs-based training• Capacitated new start-ups				
PROJECT	RESPONSIBILITY	TIMEFRAME					
		2008	2009	2010	2011	2012	TOTAL
Entrepreneurship development	BRPM	R60 000	R62 000	R64 000	R67 000	R69 500	R322 500



3.2 DEVELOPMENT OF COOPERATIVES

BACKGROUND

In line with Anglo Platinum policy, BRPM will identify small business development opportunities and suppliers at the local level to shift the balance of its expenditures where feasible from large, urban businesses to smaller, developing businesses located near or in the mine communities.

The objective will be to maximize both job creation and the economic benefit of the mining operation at the mine community level. The mine will maximize the economic spin-off benefits of its operation by building the capacity of local small businesses to access the mine's supply chain. This will be achieved through supporting the development, growth and independence of SMMEs. The following cooperatives/SMMEs have been identified to be supported by BRPM:

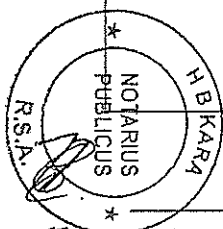
- **Rasimone commercial Agriculture project - Macharora agri cooperative**
- **Establishment of commercial venture/s - Macharora**

BRPM believes that it is imperative for women to enter the mainstream economy. In addition, various legislative frameworks make reference to the affirmation of women. BRPM's proposed project seeks to capacitate and assist women to form cooperatives so as to participate in the creation of wealth.

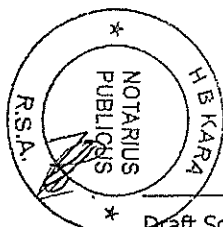
A savings and credit cooperative (SACCO) will be established specifically to assist BRPM's own employees to manage their finances. The majority of BRPM's employees manage their own finances and many of them are in debt and forfeit most of their salaries to loan sharks. Serious debt can influence a person's work performance. To help these employees get out of debt and to improve work performance it is imperative that a SACCO is established to provide an alternative to the loan sharks.

OBJECTIVES

- To create an environment conducive to economic development
- To contribute to the establishment of new businesses in Rustenburg Local Municipality
- To support and develop SMMEs
- To create jobs
- Contribute towards establishment of a commercial ventures in Macharora
- To establish a saving and credit cooperative to serve the mine's employees
- To contribute to the establishment of women-owned cooperatives



PERFORMANCE INDICATORS <ul style="list-style-type: none">Completed infrastructure and training within the allocated budget and time frameWomen-owned cooperative formed and capacitatedSACCO being set up and operational within BRPM	TARGET GROUPS (beneficiaries) 45 000 community members of Rasimone, Chaneng and Robega	LOCATION Macharora and the broader Rustenburg community	VALUE ADDED <ul style="list-style-type: none">Assistance to the business communityIntensive skills development program for communities.Job creation in the communityEmployees encouraged to save their earningsJob creation in management and women actively involved in businesses administration				
PROJECTS	RESPONSIBILITY	TIMEFRAME					
		2008	2009	2010	2011	2012	TOTAL
1. Rasimone commercial Agriculture project - Macharora agri cooperative	BRPM/ Macharora Community	R 485 000	R 194 000	R 346 000	R 300 000	R310 000	R1 635 000
2. Establishment of commercial venture/s	BRPM/Macharora community	R 200 000	R 300 000	R 350 000	R 300 000	R370 000	R1 520 000
3. Setting up women-owned cooperatives	BRPM	R 194 000	R 190 400	R 195 000	R 294 000	R 306 500	R1 179 900
4. Savings and credit cooperative	BRPM	R 61 000	R 290 600	R 120 000	R 154 000	R100 000	R 725 600
TOTAL BUDGET		R1 000 000	R1 037 000	R1 075 000	R1 115 000	R1 156 000	R538 3000



FOCUS AREA 4: HEALTH AND SOCIAL DEVELOPMENT

4.1 CLINIC CONSTRUCTION AND SUPPORT

BACKGROUND

Primary Health Care is critical for a community's health and therefore BRPM has been intimately involved in running mobile clinics, constructing clinics and supplying clinics with equipment. In 2006 BRPM contributed R600 000 to support a mobile eye-care clinic. The Rasimone and Robega villages have a population of over 45 000 people and unemployment levels are high. Lack of income prevents many community members from accessing medical facilities, and there is a need for the establishment of clinics in both villages.

OBJECTIVES

- To enhance the provision of Primary Health Care to benefit surrounding communities and to make it accessible.
- To assist government in health service delivery
- Contribute towards establishment of health clinics in Rasimone and Robega villages

PERFORMANCE INDICATORS

- Completion of infrastructure within allocated budget and time schedules
- Utilisation of the health care facility by communities
- Building of 2 health clinics: one in Rasimone and one in Robega village

TARGET GROUPS (beneficiaries)

Community members of Rasimone and Robega villages

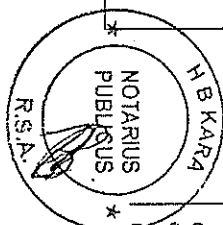
LOCATION

Rasimone and Robega villages

VALUE ADDED

- Contribute to the provision of Primary Health Care services to benefit communities around BRPM
- Health Care services accessible to communities
- Job creation

PROJECTS	RESPONSIBILITY	TIMEFRAME					
		2008	2009	2010	2011	2012	TOTAL
1. Building a clinic in Rasimone village	BRPM	R 1 600 000	R 1 690 000	R 1 795 000	R 1 800 000	R 1 900 000	R 8 785 000
2. Building a clinic in Robega village	BRPM	R 1 000 000	R 1 000 000	R 1 000 000	R 1 099 000	R 1 100 000	R 5 199 000
TOTAL BUDGET		R 2 600 000	R 2 690 000	R 2 795 000	R 2 899 000	R 3 000 000	R 13 984 000



FOCUS AREA 5: COMMUNITY PORTABLE SKILLS PROGRAMME

4.3 COMMUNITY PORTABLE SKILL TRAINING PROGRAM

BACKGROUND

Most of the local communities do not have skills that will make them either employable by companies or to start their own business. BRPM will support a number of initiatives aimed at developing portable skills to empower the surrounding communities. The aim will be to provide training for out-of-school youth and to enable them to develop broad-based skills that are relevant to realistic work opportunities both inside and outside the mining operation. Multi-purpose and community centres will be equipped to support this initiative.

These programmes will be geared to the needs of the communities in the vicinity of the mine and designed to cater for the strengths and opportunities that exist within the communities. The outcome-based programmes will include the Engineering Skills Training Centre (ESTC) learnership programmes and other skills such as computer literacy, business theory and artisan skills such as brickmaking, welding, plumbing and carpentry.

OBJECTIVES

To introduce a portable skills training program to benefit disadvantage communities

PERFORMANCE INDICATORS

Skilled communities after successful portable skills training

TARGET GROUPS (beneficiaries)

All communities within a 50km radius of BRPM

LOCATION

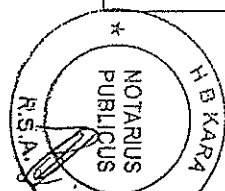
BRPM

VALUE ADDED

Help reduce unemployment in the area

PROJECT	RESPONSIBILITY	TIMEFRAME					
		2008	2009	2010	2011	2012	TOTAL
Develop a portable skills programme	BRPM	R 1 000 000	R 1 037 000	R 1 075 000	R 1 115 000	R1 156 000	R5 383 000

NOTE: An amendment to remove unfeasible projects and incorporate projects not included in the initial SLP 1 was submitted in September 2013, of which Ministerial approval is awaited.



However the Regional Manager: DMPR North West, granted permission to continue with the implementation thereof on 14 November 2013.