



## MANAGEMENT BRIEF

Brief No	HR 2019 - 09	Date Issued	April 2019
To:	Employees of Tendele, Mpukunyoni Mining and Relevant Contractors		

### PLEA FOR UNITY IN THE FACE OF THE 13 DAY UNPROTECTED WORK STOPPAGE AFTERMATH

This is the first time in the history of the Mine that "an open letter" is addressed to all the various parties and stakeholders in the Community (the confidential section re salary adjustments is only inserted in the letter to Employees).

The purpose of this Brief is to provide more background and an update on the recent 13 day unprotected work stoppage. The rationale behind such communication is to emphasize the need for a unified labour force, and a request for the support from the Community and all leaders in the Community to join efforts in saving the Mine.

This letter is also addressed to all the parties listed above, as Tendele operates in the Community, and there is nothing that happens in the Mine, that does not have an impact in the Community. We are all interlinked.

**We are truly, "One Mine, One Team and One Community"**

This 13 days unprotected stoppage have costed us millions - and we will never truly recover from this unprotected work stoppage - and the implications will be felt forever all over the Mpukunyoni Community as our investment and support and assistance will radically be reduced due to the cost of the last 13 days.

The cost of this over the next 10 years (if we can secure future mining areas, see below) will be millions and millions and millions - and it will take all our combined efforts to ensure the mine "stays afloat".

**In the end it boiled down to the following: do we allow the mine to close, 1500 people to be out of a job, entrepreneurs to lose all their contracts and lose their business – no more SLP investments, no more training and support in the Community or do we at least give it a chance and pay more - even though legally the Mine had an agreement in place with all Employees until June 2020, and was under no legal obligation to amend salaries.**

All the contracts with our suppliers - all social and labour projects, all Community payments, all assistance in the Community, will have to be reviewed during the next few months.

My urgent request to TC, Nkosi, Indunas, MCMF, Municipality, Councillors, Employees, and Entrepreneurs:  
Stop asking what the Mine can do for me - but ask what I can do to assist the Mine!

Only a strong Mine can make any difference to anyone! A Mine that closes is no good to anyone!

It is time to take hands / to agree to move forward / to give it our best shot to secure future mining areas.

Without future mining areas / the Mine will stop operating by September 2019.

Without mining operations, plant operations, anthracite leaving our mine - and without bank debt (to finance our business), without motivated Employees and motivated management - we have no Mine and no income!

Look at the colour of the books with Madiba's famous quote "it always seems impossible, until it is done" as shown below.

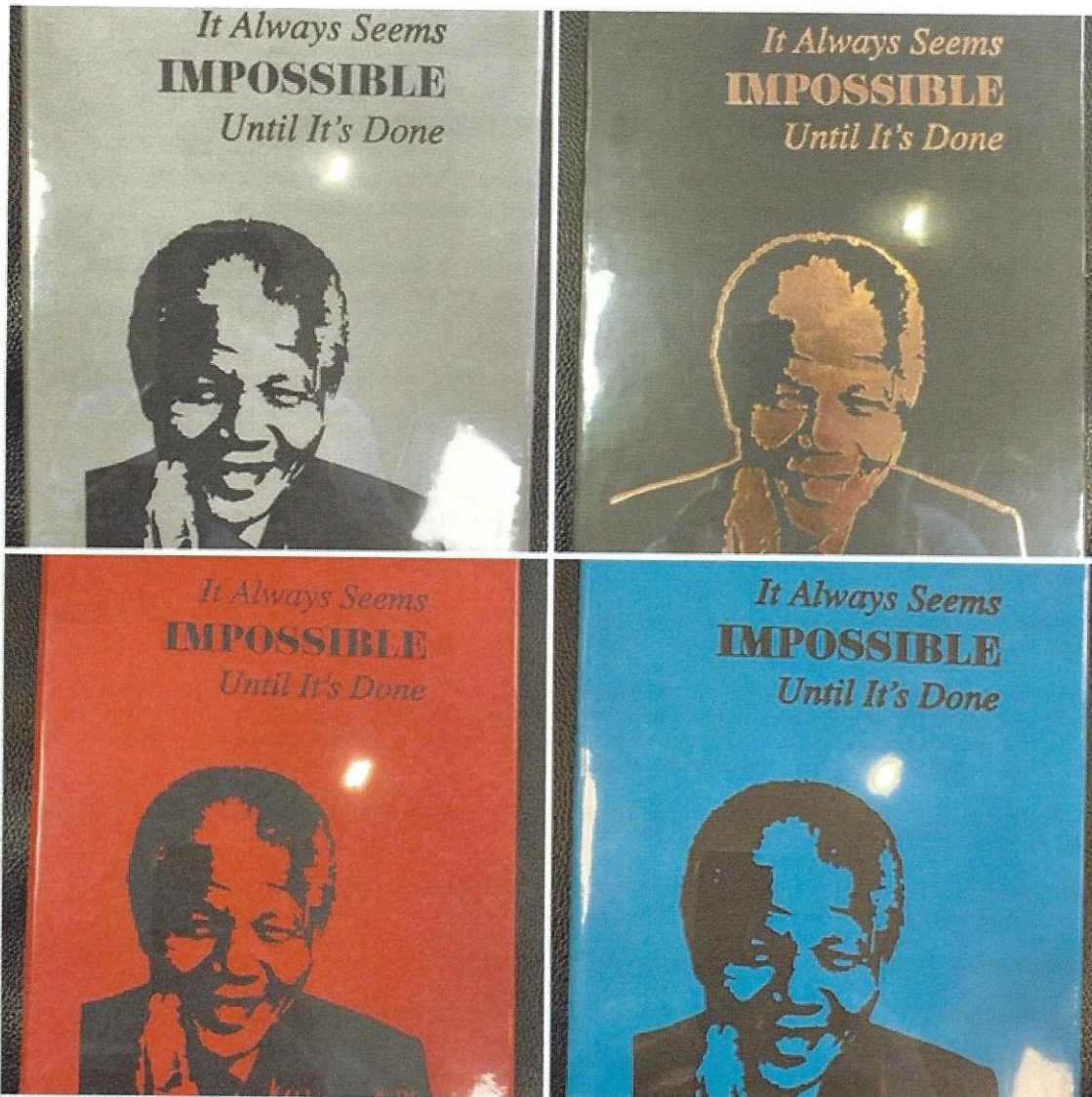
The colour of the book - does not define the book!

The colour of the T-shirts we wear, does not define us!

The party we support - does not define us!

Whether we are young or old - male or female - We are all dependent on each other.

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We are "one mine, one team, and one Community"!

We are a small business, and we need cash to survive!

We need cash to secure future mining areas so that we can have a mine for 10 years!

A 10 year mine will guarantee employment business opportunities and assistance in the Community!

The majority of our bank funding for relocation will be cancelled by the end of April for all unsigned agreements.

Your urgent support and assistance will be required to finalize the process before the funding lapses.

All leaders to work together, together we all make a massive difference in the lives of some 15 000 people!

It is time for new beginnings!

It is time to try and secure a mine for 10 years!

It is also time to protect the mine against those people that would like to close the mine like the GET Foundation that continue to spread rumours, publish lies and deal in untruths! Ask yourself how many jobs have they ever produced? Ask yourself what will happen if they manage to close the Mine? As you all know they have been trying for years to close the mine (that is right, read again: TO CLOSE THE MINE), and recently lost an application in Court as they made the following allegations against Tendele:

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- Has no environmental authorization issued in terms of section 24 of the National Environmental Management Act 107 of 1998 ("NEMA");
- Has no land use authority, approval or permission from any municipality having jurisdiction;
- Has no waste management license issued by the Minister of Environmental Affairs (the fourth respondent) in terms of section 43 of the National Environmental Management: Waste Act 59 of 2008 ("Waste Act"); and
- Has no written approval in terms of section 35 of the KwaZulu-Natal Heritage Act 4 of 2008 ("KZN Heritage Act") to damage, alter, exhume or remove any traditional graves from their original position.

The Judge's ruling concludes as follows:

- "... I conclude that the applicants have failed to make a proper case for the relief claimed."
- "... the applicants have simply failed to put up cogent evidence to support their contentions that Tendele is mining unlawfully and without the requisite authorizations."
- 'Applicants not afforded the authorities concerned the opportunity to investigate the complaints before deciding to institute these proceedings'
- "... Allegations were vague, generalised and unsubstantiated..."

In summary the Judge's ruling stated that a proper case was not made out in the first place against the Mine and that a "scatter gun approach hoping to hit one target or another" was followed.

The Judge therefore dismissed the application – WITH costs against all applicants jointly and severally and must include the costs of 2 counsel.

It is no surprise that the Get Foundation have appealed, and your support will be required some time later this year. As a sign of goodwill, Tendele also offered not to implement the cost order. We have been asking the Get Foundation for years to join our MCMF structures (see below) and share their experiences so that we can all learn from them. However, sadly they have rejected all our approached.

It is easy to critique - and for all our critics (that has never made a mistake or learned a skill or started a business, etc. etc. ) - and for all the wonderful people that daily try and make a difference (all our employees and so many leaders and ordinary community members)- some words of wisdom from Roosevelt:

*"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat"*

## WORDS OF APPRECIATION

Obviously an unprotected work stoppage is against the law, however, a special word of thanks to:

- All Employees, the full time shop stewards and all other union leaders for maintaining law and order during the 13 day work stoppage.
- All Community Leaders, the Police, and the Tendele Security.
- A special word of thanks to so many people for all the many good wishes, messages, emails, and prayers! We truly appreciate it!
- Special word of thanks to the entire Managerial and Operational teams for keeping the ship afloat during very difficult times!
- Special word of thanks to the Tendele team that worked day and night for 13 days trying to resolve the unprotected stoppage. Your patience and diligence and support are truly appreciated!

All of you can be so proud - you all make a massive difference in the lives of some 15000 people!

As long as we communicate to each other – and respect each other – and listen to each other – we may be able to achieve results without fear and intimidation and harm.

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## BACKGROUND TO THE UNPROTECTED STRIKE

The Company employs directly some 1200 people, and via the Community based entrepreneurs, employ indirectly a further 300 Employees. Of the 1200 people, some 54% belong to the Unions. After a 13 day unprotected work stoppage that started on 26 March, all Employees returned back to work on Tuesday, 9 April 2019 at 06h00 with full production running again.

The Company, AMCU and NUM ("the parties") signed agreements and the 13 day unprotected work stoppage terminated. What follows below under this heading "background" is an extract from the signed agreements.

The parties participated in a process facilitated by the CCMA to resolve the unprotected work-stoppage surrounding issues pertaining to the agreement signed 14 June 2017 for the 3 years ending 30 June 2020 (Substantive Agreement) and specifically in relation to Clause 7, "Equal Work for Equal Pay".

In terms of the Substantive Agreement, the Equal Work for Equal Pay clause developed over time, and a Task Team (consisting of representatives of both unions and the Company) was established. It was agreed to start a salary survey process and it was agreed that a salary survey was to be conducted to review certain job categories.

Regrettably, no terms of reference were agreed and no training was conducted to ensure that the Task Team had a common understanding as to what was required and what was the expectation of the report. An independent survey company, PE CORPORATE ("PECS") was appointed. This resulted in an initial "work in progress" and incomplete draft salary survey report (for 25 Job Categories) that made no recommendations, which was leaked to Employees in October 2018 ("October Survey Report"), and was fundamentally flawed.

The involved parties received an updated survey on the 25<sup>th</sup> March 2019 and was in the process of reviewing this report, and noted that the report made no recommendation and indicated that, out of 25 job categories, and comparing cost to company, only one category was "short changed" ("March Survey Report").

The survey report noted that one must consider the full cost-to-company and not only compare basic pay. The survey report also went on to say that other factors need to be considered such as affordability, area of operation, socio-economic conditions, unemployment in an area, job turnover (Tendele has a job turnover of less than 2%). The October 2018 survey report also required adjustment for correct job category definitions.

Following a discussion, the Salary Survey Task Team briefed the Employees around 18h00 on Tuesday 26 March 2019. An unprotected work stoppage started on the evening of 26 March 2019. After numerous engagements the parties agreed as follows:

- Agreements have been signed by Union representatives to amend the Substantive Agreement from 30 June 2020 to June 22.
- Tendele is committed to implement the amended agreement. This is in a spirit of preserving good labour relations that have existed for many years.
- It is not in the best interest of any Parties associated with the Somkhele Mine to be affected by an unprotected work-stoppage
- The Task Team that was in charge of the salary survey that included members of all the Parties, take a collective responsibility in the delay and misunderstanding associated with the salary survey.

## KEY POINTS AS OUTLINED IN THE SIGNED AGREEMENTS

- 1 Substantive agreement amended and extended from 30 June 2020 to June 22 ("amended substantive agreement")
- 2 The October survey report was used and adjustments will be made to Employees' salaries where appropriate, and the detail will be discussed with each employee
- 3 It is agreed that a new category of basic salary ("adjustment basic") will be created that will not attract any "cost to company" benefits including thirteenth cheque, shift allowance, shift overtime, etc. Save as outlined in this agreement.
  - 3.1 For example, assume the adjustment basic is R 500
  - 3.2 50% of the difference (R500 x 50% = R 250) for the month of April 2019
  - 3.3 100% of the difference (R500 x 100% = R 500) for the month of May 2019
  - 3.4 100% of the difference (R500 x 100% = R 500) from 01 July 2019 onwards

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- 4 For all Employees, where the adjustment basic is less than R100, the difference is agreed to be R100 and to be adjusted as part of the adjustment basic and the employee will be paid R 100 from 1 April 2019.
- 5 The adjusted basis of Employees whose job categories have not been surveyed will increase from 1 April and the employee will be paid R 100 as part of the adjustment basic from 1 April 2019.
- 6 **JULY 2019**
  - 6.1 Basic salary to increase by R 1000 for all Employees (as per the original Substantive Agreement)
  - 6.2 Medical to increase by R 50 to R 650
  - 6.3 Housing Allowance by R 50 to R 1250
  - 6.4 Provident Fund 15% of original basic
  - 6.5 Maternity to remain at 4 months full pay
- 7 **JULY 2020:**
  - 7.1 Basic salary to be increased by the largest of 6% or R 700.
  - 7.2 Medical to increase by R 50 to R 700
  - 7.3 Housing Allowance by R 50 to R 1300
  - 7.4 Provident Fund to remain at 15% of original basic
  - 7.5 Maternity to remain at 4 months full pay
  - 7.6 It is specifically agreed that 50% of the adjustment basic to attract all benefits normally due to "basic salary"
- 8 **JULY 2021:**
  - 8.1 Basic salary to be increased by a formula as follows
  - 8.2 The largest of 6% or R 700. See Annexure A, Column M and M1.
  - 8.3 Medical to increase by R 35 to R 735
  - 8.4 Housing Allowance by R 50 to R 1350
  - 8.5 Provident Fund to remain at 15% of original basic
  - 8.6 Maternity to remain at 4 months full pay
  - 8.7 It is specifically agreed that 100 % of the adjustment basic to attract all benefits normally due to "basic salary"
- 9 **PHASE TWO**
  - 9.1 The Parties to this Agreement note that not all job categories have been surveyed. The parties will engage on "Phase Two" and the intention is to conduct a salary survey of at least 90% of all remaining job categories including Rangers that have previously not been surveyed.
  - 9.2 A Task Team comprising Employer representatives and all unions will be established to oversee this process.
  - 9.3 Detailed training sessions will be conducted with Shop stewards to make sure that all Parties understand what the report will cover and what the intended outcome of the report will be. Terms of Reference will be drafted, and this term will in all material aspects not deviate from the principles as outlined in the Amended Substantive Agreement.
  - 9.4 The Task Team to be established to also develop an agreed plan to educate the Employees iro all aspects of Phase Two.
  - 9.5 The report will be specific and both basic salary and cost to company will be reviewed and compared before any adjustments are discussed and considered.
  - 9.6 All factors including affordability as specified in the March 2019 report will also be considered during Phase Two.
  - 9.7 It is the intention that Phase Two process will start once at least one future mining area (either the Ophondweni or the Emalahleni area) has been secured (meaning mining can commence and ROM coal can be transported to the Plant) and the Phase Two process will be finalized within six months after mining in either Ophondweni or Emalahleni has commenced.
  - 9.8 It is agreed that during the period until future mining areas are secured, all Unions and the Company will compile a list of proposed categories to be surveyed and will also prepare a list of those anomalies that exists in job categories surveyed and not surveyed. It is agreed that the Task Team (as contemplated in this section will only start its work after securing a future mining area.
- 10 **AGREEMENT CONDITIONS**
  - 10.1 All Employees who did not attend work during the unprotected work-stoppage between 26 March and the date on which the unprotected work-stoppage ends will be issued with a general final written warning valid for 12 months. Notwithstanding

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this clause, if an employee was on approved sick or annual leave, such employee will not be issued with a general final written warning.

- 10.2 The Company to consider the specific circumstances on a case by case basis and any future disciplinary process resulting from the misconduct of any employee will be dealt with on its case merits. The general final written warning will not be used as a "witch hunt". If Employees believe there is a "form of intimidation", they have every right to exercise their right in terms of internal grievance procedures.
  - 10.3 The amendments in this Agreement is implemented to save the future of the mine and to protect employment.
  - 10.4 All Shop Stewards at the mine will undergo training at the SBF where after detailed training sessions will be arranged for all Employees to ensure that the expertise and understanding iro remuneration is improved.
  - 10.5 The Parties agree that the Mine is operating in a poverty-stricken area where unemployment is a massive challenge. The Mine faces ongoing challenges to assist with employment of Community Members. It is agreed that all the appointments below will be made in the presence of a full-time shop steward to also explain that the appointment falls outside the SBF or mandate of the Unions.
    - 10.5.1 The Mine has been in operation for more than 10 years (since 2007), the Mine has reached its optimum production rate and no further expansion is required or foreseen over and above the formal 2018/19 budget.
    - 10.5.2 Therefore, it is hereby acknowledged and agreed that any additional appointments over and above the base-line (expansion to the current labour force), will be in line with the Mine's intention to create employment opportunities more so than as an operational requirement and the mine will be able to employ people at a rate to be negotiated between the Mine and such employee.
    - 10.5.3 Furthermore, it is agreed that activities that are not directly associated with drilling, mining and the plant operation is classified as "non-core" activities.
    - 10.5.4 The Mine is authorized to employ people in these non-core activities either permanently or temporarily at a rate to be agreed between the Mine and such employee, and it is agreed that SBF Agreement and the three-year Substantive Agreement iro rates will not apply to such employee/employment.
    - 10.5.5 The Mine is furthermore entitled to appoint trainees on a temporarily basis not exceeding 12 months at a rate to be agreed between the Mine and such employee, and it is agreed that SBF Agreement and the three-year Substantive Agreement iro rates will not apply to such employee/employment.
    - 10.5.6 It is specifically, for the sake of clarity and avoidance of doubt, noted and agreed that this Agreement will not include any work being conducted for training purposes, for example work-place exposure interventions, learnerships and other interventions aimed at the training and development of learners.
    - 10.5.7 It is further recorded that the term "core jobs" refer to jobs which are directly involved in the process flow of the coal, including but not limited to blasting, mining, processing, quality control and transporting of coal.
    - 10.5.8 It is further recorded that the term "non-core jobs" refer to jobs which are providing support services to "core jobs and in so doing are only indirectly involved in the process flow of the coal, these include but are not limited to security, finances, human resources and stores.
  - 10.6 It is furthermore specifically agreed that companies that provide services to the Mine including companies that is majority owned by Mpukunyoni Community members, are not subject to this Agreement.
- 11 **THE PARTIES AGREE THAT THEY WILL IN ABSOLUTE GOOD FAITH AND COMMITMENT, AND TOGETHER INVESTIGATE AND IMPLEMENT AND DO EVERYTHING IN ITS POWER TO IMPROVE PRODUCTIVITY IN ORDER TO MAKE UP THE PRODUCTION LOST AS A RESULT OF THE UNPROTECTED WORK STOPPAGE.**
  - 12 **DISPUTE SETTLEMENT**
    - 12.1 The Parties agree that in the event of disputes regarding the interpretation and/or application of this Agreement, the required procedure in terms of the Labour Relations Act no 66 of 1995 and the Constitution shall be observed.
  - 13 **PEACE OBLIGATION**
    - 13.1 The Parties agree that sound and harmonious employee/employer relationships are essential for the mutual benefit of all concerned.
    - 13.2 The Parties declare their joint commitment to the common objectives of the maintenance of industrial peace, the future growth and prosperity of the Employer and the fair and equitable treatment of all Employees.

## REQUEST FOR PAYOUT OF LEAVE

We have been requested to consider paying out leave to compensate for the loss of income due to the unprotected strike and the “no work no pay” principle. We are sympathetic to the request, however as outlined above, we have lost 13 days of production and we have been unable to get one ton of material to our customers, and therefore we have no cash coming in. Until we start mining in future mining areas, we will continue to run short. We therefore are unable to do any pay-outs of any leave and the principle of “No work No pay” remains in place.

## EXTRACT FROM THE MARCH 2019 SURVEY REPORT

1. The salary information provided in the benchmark tables provides a guideline on the external competitiveness of the salary only. In no way do they form recommendations as other factors like affordability, internal equity, regional variances also need to be factored in when looking at pay.
2. KwaZulu-Natal makes up 16% of the survey sample.
3. It is important to understand that the majority of the salary data in the KZN region reflects salaries from companies operating in Durban, Pietermaritzburg and Richards Bay.
4. Tendele Mine falls within the rural area of the Mtubatuba municipality. As outlined in the IDP of the Mtubatuba Municipality, Tendele Mine is the only major provider of employment in the area. The Municipality's Integrated Development Plan (“IDP”) for 2017/2018 - 2022 mentions in point 13.1 that “...mining is one of the major employment sectors in Mtubatuba Municipality through Somkhele Coal Mine...”.
5. It is further recognized in the IDP, inter alia, that “[T]he unemployment rate within Mtubatuba Municipality was at 59.7% in 2001, however in 2011 there... [was] a significant improvement as it is estimated to be at 39%. This may be due to the coal mining operation taking place in the Mpukunyoni Traditional Council area, Somkhele Mine.” The IDP furthermore states that the Mtubatuba Municipality's economy is driven by the performance and structures of, inter alia, mining at Somkhele.
6. Tendele exhibits a very low staff turn-over due to voluntary termination of employment, even for semi-skilled and skilled positions which are in high demand across the mining industry (high mobility). This may be indicative of a workforce which exhibits a low need to move to other companies/job opportunities.
7. The average staff turn-over for Mpukunyoni Mining over the 5-year period from 2014 to 2018 is 1.2% whilst that of Tendele is 1.8%. This does not support a notion of a workforce that is unhappy with its working conditions and/or remuneration.
8. With a lower cost of living, high levels of unemployment and low staff turn-over, there is a lack of market-driven factors compelling companies operating in rural areas such as Mtubatuba to offer higher remuneration and subsequently such companies could pay a substantial discount on salaries with-out experiencing recruitment challenges or a shortage of candidates for employment.
9. High mobility is also affected by experience. Tendele's employment policies and commitment to employ at least 80% of its labor force from the local Community has contributed significantly to the relative low experience levels of operators since preference is given to recruiting and training local unemployed and inexperienced operators instead of recruiting experienced operators from other mines.
10. The benchmark tables reflect market data as extracted from our General staff salary survey for the mining industry within Kwa-Zulu Natal. The analysis reflects Basic Salary, Guaranteed Package and Total Package figures. The benchmark market salary information provided in this report should be used as a guideline when making pay decisions.
11. Additional factors that need to be considered when reviewing pay adjustments include:
  - i. For this section we need to ask, “How competitive are Tendele Mine employee salaries against the market?” In the South African market, the Guaranteed Package or Cost to company figures tend to be a more reliable figure when comparing to the market. When looking at external competitiveness one also needs to consider the levels of Employees and the availability (Supply vs demand) of labor. With high levels of unemployment in the Mtubatuba municipality, there is not a limited supply of labor for semi-skilled positions in the Mine. The National Minimum Wage Act has been set for a phased implementation as of 1 May 2018. This act requires all employers (with exception of Agriculture, Domestic workers and some SME's) to pay a minimum wage of R20 per hour/ R3500 per month (40 hours). All benchmark salaries fall well above this level.
  - ii. The relative worth of each job, without regard for individual characteristics or competence is typically reflected in the “Job worth” hierarchy determined by a job grading system. The higher the grade the more complex the job. Currently, Tendele does not have a grading system and any such analysis would need to be based on the jobs themselves.
  - iii. For any salary adjustments to be meaningful, it must be affordable to the organization.
  - iv. We have been provided with signed Substantive Agreements going as far back as 2010 until the most recent three-year agreement (1 July 2017 to 30 June 2020) signed between the Company and the Employees. Of significance in these

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agreements is the fact that said agreements predominantly provide for staggered increases – an indication that parties have agreed to allocate resources proportionally to where the greatest need existed.

- v. We have also been provided with a copy of the Tendele presentation to the DMR indicating that the Profit Margin in 2017 was less than 3% and 6% in 2018. We also understand from this presentation that the Mine has huge difficulties to obtain future mining areas and already has engaged Labor in Section 189(A) consultations.
- vi. Regional variances have a significant impact on the variance in remuneration offered by companies. Examples of these differences are the following:
  - The average annual household income from work in KwaZulu Natal (R 71 110) is 30% lower than that of the National Average (R 100 246) according to Living Conditions Survey 2014/2015 published by Stats' SA
  - The average annual household income from work in Traditional Areas (R 32 812) is 68% lower than that of the National Average (R 100 246) according to Living Conditions Survey 2014/2015 published by Stats' SA
  - The average annual total household income (including the likes of grants, pensions etc.) in Traditional Areas (R 56 333) is 60% lower than that of the National Average (R 138 168) according to Living Conditions Survey 2014/2015 published by Stats' SA
  - The average household annual income per family around Mtubatuba amounted to R 55 920 according to the 2011 census
  - With a lower cost of living and high levels of unemployment, companies operating in rural areas like the Mtubatuba municipality could typically pay a discount on salaries relative to rates within KZN as a whole.

## TENDELE IMPACT IN THE COMMUNITY

For the sake of clarity and the avoidance of doubt, see the annexure to this brief indicating the enormous impact that Tendele has made in the Community. It is impossible to "please" every one, it is impossible not to make mistakes, but the overall positive impact in the lives of at least 15000 people in the Community is unquestionable.

## TENDELE PROFITABILITY

Tendele's financial statements are submitted to the DMR yearly. Tendele's profitability in 2017 was below 3%, and in 2018 was around 6%. This profit is not enough to finance the debt and to finance the acquisition of future mining areas. The impact of the last 13 days will forever have an impact on our ability to assist with projects in the Community.

## COMMUNITY COMMUNICATION STRUCTURES

A "ROADMAP AGREEMENT" was developed during 2016 and signed and adopted in 2017 to address historical and current contentious issues between the Mine and the surrounding Communities creating a representative communication structure - Mpukunyoni Community Mining Forum (MCMF).

Community related issues are discussed and resolved at these structures.

This structure does not deal with employment or existing procurement issues as this is dealt with at Tendele Mine.

The MCMF assists with relocation issues, until a DAC Committee is elected in a particular area. Thereafter all negotiations are private between the Mine and the families to be relocated.

The MCMF meets quarterly or as often as required representing:

- Mpukunyoni Traditional Council ("MTC") consisting of the Indunas of the 30 Izigodi of Mpukunyoni
- Inkosi and Ndunankulu are permanent invitees
- The MTC nominates a Portfolio Head of Mining as part of the MCMF Exco
- Mtubatuba Local Municipality (Democratically elected Councilors of the Wards where the Mine operates)
- MAC – Mining Area Committees representing the Induna and the Communities in the designated mining areas, democratically elected (each MAC meets at least once a month)
- Directly Affected Communities (DAC), representing communities that have been/to be relocated.
- Local Entrepreneurs that deals with the Mine
- Tendele Mine (including organised labor representing AMCU and NUM)

The MCMF has an Exco consisting of 4 local leaders and the Mine and meet as often as required and the intention is to assist Local leaders to take ownership of local issues!

As the largest employer in the Mpukunyoni area and Mtubatuba Municipality, we understand the importance of communication and peace and stability in the area.

The MCMF and MAC is always open to all organizations and individuals who want to engage in a meaningful manner if it can assist the Mine to remain strong as only a strong mine can assist the Community.



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## PROPOSED APPROACH

The state of all parties' attitude remains very essential in the wake of such trying times.

Most importantly, we are "One Team, One Mine and One Community", and we need motivated Employees and management to ensure we produce product safely, efficiently and as productive as possible as we want to maximize the product that leaves the Mine. For this Mine to continue to exist and obtain money for the anthracite that we sell to our clients, it needs customers, it needs trucks to leave our mine and deliver product to the Port and to our local customers, it needs the drilling, blasting, mining, haulage and plant operations to continue.

For all of the above we need loans from banks to pay for the machines, diesel explosives, your salaries, electricity and all the contractors (such as Taxi, haulage, rom trucks, MBA trucks, etc. etc.).

One undeniable fact is that what job we do, what qualifications we have, what we wear, gender and age do not define us as we still remain dependant on one another.

It must always be reiterated that we are "One Mine, One Team and One Community". Let us all hold hands irrespective of any forms of differences that may or may have existed and ensure we can have a Mine for ten (10) years.

It is truly to our interest that we attain future mining areas as this Mine is like a tree and it thus needs to be strong and be able to provide fruits to its Employees, Community and business partners. There should also be a fair return to the Mine's shareholders. If the demands on the tree are too much, the tree will die and we will all suffer. As previously communicated, without future mining areas, we won't have a Mine.

## COMPLAINTS AGAINST THE HR MANAGER AND IR SUPERINTENDENT:

Management previously received a list of complaints against the HR Manager and IR Superintendent. After the unprotected work stoppage on 1 March, the Mine and AMCU signed an MOU, and it was agreed that the complaints against the 2 incumbents will be investigated by a third-party independent Chairperson.

It is both the Company's responsibility and the right of Employees to be subjected to procedurally and substantively fair processes – a principal which unions have consistently required from management where their members were subjected to disciplinary action. This outcome will be communicated once the investigation is completed.

## CONCLUSION

In the face of challenging times and especially the harsh aftermath of the UNPROTECTED work stoppage, all Employees, all Community leaders and all stakeholders are encouraged to hold hands towards a common goal. It is undeniable that the UNPROTECTED work stoppage we recently experienced has had far reaching implications but every role player is advised to do everything in their power to ensure that we vigorously move forward.

We plead with all stakeholders and all Employees to support the endeavours aimed at securing future mining areas as that is our ticket to securing the future. The engagements with future mining areas are still continuing and need everyone's support to eventually yield good results.

Lets' all have a unity driven attitude which sees no colour, gender, occupation, any affiliation but only a companion in ensuring unity, vigour and strength in our current operation and future mining areas.

Last but not least, safety and peace in the Community remains an essential aspect which should be at the centre in all that we do.

As much as we need coal to sustain the business, we do not want coal that has blood in it.

Let us work safely and peacefully!

**We are One Mine, One Team, One Community!**



Jan du Preez  
CEO



Jarmi Steyn  
COO