

WAGE AGREEMENT

between

THE CHAMBER OF MINES OF SOUTH AFRICA

acting on behalf of Kangra Coal
(hereinafter referred to as the "Company" or "Employer")

and

THE NATIONAL UNION OF MINeworkERS

and

UASA – THE UNION

and

SOLIDARITY

as principals and on behalf of their members as defined herein
(hereinafter respectively referred to as the "NUM", "UASA" and "Solidarity")
(collectively, the unions will hereinafter be referred to as "the Unions")
(collectively, the Company and Unions will hereinafter be referred to as "the Parties")

Regarding

THE 2017 – 2020 REVIEW OF SALARIES AND OTHER CONDITIONS OF EMPLOYMENT



Handwritten signatures of the parties involved in the agreement, including representatives from the Chamber of Mines of South Africa, the National Union of Mineworkers, UASA, and Solidarity.

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1. APPLICATION OF AGREEMENT

This agreement shall apply to Kangra Coal, and to the Unions, including members of the Unions and all other employees employed at all relevant times by the Company in the Category 5 - 8, Miners & Artisans and Officials (C1 – 5) recognition units.

2. SALARY INCREASES

2.1 Increases in 2017

The Company will increase basic salaries by the following in 2017:

Cat 5 – 8	R600.00
C1 – C5 (including Miners, Artisans and Officials):	7%

2.2 Increases in 2018

The Company will increase basic salaries by the following in 2018:

Cat 5 – 8	CPI + 0.5% or 7% whichever is greater
Miners, Artisans and Officials:	CPI + 0.5% or 7% whichever is greater
B and C Levels	CPI + 0.5% or 7% whichever is greater

2.3 Increases in 2019

The Company will increase basic salaries by the following in 2019:

Cat 5 – 8	CPI + 0.5% or 7% whichever is greater
Miners, Artisans and Officials:	CPI + 0.5% or 7% whichever is greater

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3. HOUSING ALLOWANCE

In an endeavour to harmonise the housing allowance between Cat 5 - 8 and C1 – C5, the company offers the following increases on the housing allowance:

The issue of complete harmonisation shall be discussed during the next round of wage negotiations.

	2017	2018	2019
CAT 5 - 8	R1,000.00	12%	14%
	R5,050.00	R5,656.00	R6,447.84
C1 - 4	7%	7%	7%
	R11,588.10	R12,399.27	R13,267.22

4. COMMUTING ALLOWANCE

The commuting allowance will increase by 7% for 2017 and by CPI +0.5% or 7% whichever is greater for 2018 and 2019 respectively.

5. TRAVEL FOR BUSINESS PURPOSES

The company agrees to pay at least at South African Revenue (SARS) rates.

6. LEAVE

Maternity Leave

With effect from the date of signature of the wage agreement, female employees will be entitled to four months fully paid maternity leave.

7. WELLNESS ISSUES

7.1 Medical Incapacity Payments

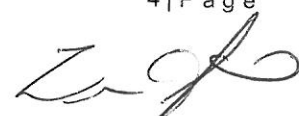
The company will increase the medical incapacity benefit by R5000 to R70 000 on 01 July 2017.

The company will increase the medical incapacity benefit by R7500 to R77 500 on 01 July 2018.

The company will increase the medical incapacity benefit by R12 500 to R90 000 on 01 July 2019.

7.2 Post incapacity medical expenses

The company will increase the once off payment for medical incapacity terminations to R6000 in 2017.



The company will increase the once off payment for medical incapacity terminations to R8000 in 2018.

The company will increase the once off payment for medical incapacity terminations to R10 000 in 2019.

8. SEVERANCE PAY

The company agrees to increase the current minimum guaranteed severance package of R30 000 by the following amounts:

R5000 in 2017 to a total of R35 000.

R6000 in 2018 to a total of R41 000

R9000 in 2019 to a total of R50 000

9. EMPLOYEE SHARE OWNERSHIP SCHEME (ESOP)

The company is not registered on the JSE, however, the company is willing to engage in discussions regarding profit sharing models/schemes and conclude these within 6 months of signing the agreement.

10. CONTRACTORS

- The parties commit to the principle that contractors should meet minimum conditions of employment legislation.
- Contractors will be required to comply with applicable legislation, including the Labour Relations Act (LRA), Basic Conditions of Employment Act (BCEA), Unemployment Insurance Act (UIA) and Mine Health and Safety Act.
- The company will ensure that all future arrangements involving contractors include clauses in commercial agreements which will make provision for market related salaries and fair and equitable labour practices.
- Sub-contracting shall be a standard item in union/management meetings or where applicable, dealt with in other relevant structures at operations level.

11. MULTI TASK ALLOWANCE FOR MULTI LICENCE HOLDERS

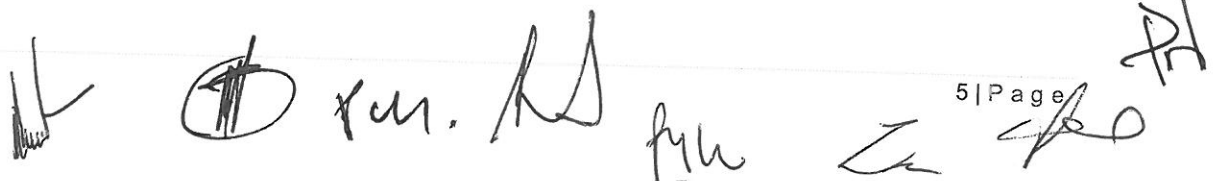
The company undertakes to continuously examine the optimal deployment of skills and people in the workplace and where there are any challenges and shortcomings, they will be rectified.

12. DUST EXPOSURE

The company believes that this discussion resides under the Mine Health and Safety Council (MHSC) and proposes that it be referred there.

13. ACTING

The parties agree to discuss the principles around the acting allowance at company level.

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14. CORE CODES FOR OFFICIALS

Issues relating to the Core code for officials will be addressed at company level as and when they are raised.

15. SURVEYOR AIDES AND LABORATORY HELPERS

This issue will be concluded within three months of the signing of the wage agreement.

16. BASIC CONDITIONS OF EMPLOYMENT ACT (BCEA)

The unions hereby pledge their support for an application by the Chamber of Mines on behalf of the Company, for a determination to vary for the period 30 November 2017 to 29 October 2020, the following provisions of the BCEA insofar as they apply to the Company in respect of Category 5 - 8, Miners, Artisans and Officials (C1 - 5):

- 10(2) To retain the collectively bargained arrangements in respect of compensation for overtime on ordinary working days in respect of Miners, Artisans and Officials.
- 12(2)(b) To average hours of work over the agreed period with an average of ten hours' overtime per week.
- 15(1)(a) To reduce the daily rest period to less than twelve hours, but not less than eight hours, for the purposes of rapid shift changeovers, with details to be worked out at mine level.
- 16(1) To retain the collectively bargained arrangements in respect of compensation for irregular work on Sundays in respect of Miners, Artisans and Officials.

Where relevant, the practicalities of the implementation of the BCEA variations will be discussed at Company level.

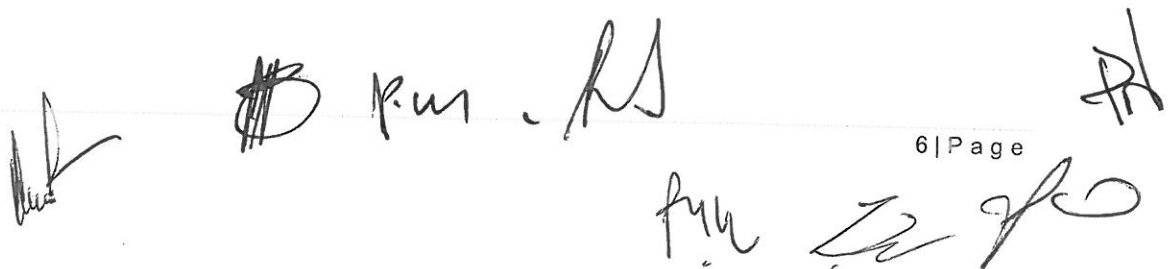
17. DISPUTE SETTLEMENT PROCEDURES

In the event of any dispute between a union or unions on the one hand, and the Company on the other (the parties to the dispute) about the interpretation, application or implementation of this agreement:

- 17.1 Any party intending to refer the dispute for conciliation in terms of clause 17.2 below, shall make a reasonable effort to resolve the dispute before such referral.
- 17.2 Should the procedure mentioned in clause 17.1 above fail to resolve the dispute, the dispute shall be referred to the CCMA.

18. EXTENSION OF THE AGREEMENT

18.1 The Chamber of Mines, acting on behalf of the Employer, and the Unions further agree that this Agreement shall, by virtue of the provisions of section 23(1)(d) of the Labour Relations Act 66 of 1995, as amended ("the LRA"), bind all other employees employed by the Employer whether or not they are members of the Unions, who are employed in the above-mentioned recognition units in the workplace of the Employer.

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18.2 It is hereby recorded that the Unions collectively have as their members the majority of employees employed in the above-mentioned recognition units in the workplace of the Employer.

19. IMPLEMENTATION DATE

19.1 Unless otherwise stated, the salary increases and other changes to conditions of employment and benefits referred to in this agreement will be implemented with effect from 01 June 2017 (Officials) and 01 July 2017 (Category 5 - 8 employees and Miners and Artisans).

19.2 Where the implementation date is stated as 2018 and 2019, the dates referred to in clause 19.1 will apply with all the necessary changes.

Signed at JOHANNESBURG on this 01 day of December 2017.

For and on behalf of NUM:

Name: Peter Bailey Signature: [Signature]

Name: Nelson Rantso Signature: [Signature]

For and on behalf of UASA:

Name: Dawn EHLERS Signature: [Signature]

Name: R. Sanner Signature: [Signature]

For and on behalf of SOLIDARITY:

Name: J DU PLESSIS Signature: [Signature]

Name: D.M. WEIR Signature: [Signature]

For and on behalf of the CHAMBER OF MINES OF SOUTH AFRICA, acting on behalf of the Company:

Name: P.Y. WILLIAMSON Signature: [Signature]

Name: P.M. MOTLHAMME Signature: [Signature]

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ADDENDUM TO KANGRA WAGE AGREEMENT (2017 - 2020)

Parties agree to the followings:

1. Outstanding issues from the 2015 Wage Agreement

All outstanding will be discussed and concluded at company level.

2. Deferred issues on the Wage Agreement

This clause shall be read in conjunction with clause 1 and be dealt with at company level.

3. Misconduct during the strike

Where the employees' conduct during the strike or Picket that occurred in November 2017 is deemed to constitute misconduct, the Company may take appropriate disciplinary action in accordance with the Disciplinary Procedure and Code of Conduct, after joint investigations by all parties have been concluded.

The company undertakes that no employee shall receive a sanction of dismissal arising out of the disciplinary action referred to above. Should employees receive written warnings for the offences committed during the strike, such written warnings shall only be taken into account in relation to future offence(s) committed during strike action.

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FORMULA FOR CALCULATING CPI

1. CPI is the headline consumer inflation published from time to time by Statistics South Africa.
2. CPI will be determined as follows:
 - 2.1 the CPI figures for the month of December 2017 to May 2018 will be examined;
 - 2.2 the months with the highest and lowest CPI will be discounted;
 - 2.3 the CPI for the remaining four months will be averaged; and
 - 2.4 the resulting figure based on this formula will be deemed to be the CPI for the purposes of this agreement.
3. The above formula will be used with the necessary changes for increases for 2019.

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