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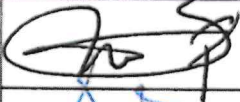






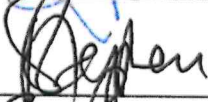
CONTRACTOR SOCIAL COMPLIANCE GUIDELINE

TNCL-PRO-GDL-0001



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1. GENERAL

These guidelines set out the social framework and vision for the Tembo Nickel Corporation Limited (TNCL) new mine development and construction project, which is to make a lasting positive contribution to the communities associated with its operations and for the management team and contractors to be partners of choice for host governments and communities.

TNCL is committed to structuring its employment, training, contracting and procurement policies to comply with local content regulations.


The objective of the Contractor Social Compliance Guidelines is to set out how the TNCL Management team will approach the social management and monitoring of contractors as part of our social responsibility and commitment to developing our host communities, district, and greater Tanzania.

This requirement aims to avoid and minimise material adverse social impacts and to maximise positive, sustainable effects that could arise through engagements with contractors, suppliers, and business partners.

2. IMPACT

Table 1: Potential Impacts

IMPACT	
Potential positive impact	
Local employment	
Training and skills development	
Local procurement (economic development)	
Corporate Social Investment	
Enterprise Development	
Poverty alleviation	
Job creation	
Potential Negative Impact	
In migration	
Environmental and health impacts such as noise, dust, blasting	
Water-related impacts (quality and quantity)	
Spread of communicable diseases	
Increased pressure on social infrastructure	
Antisocial behaviour (drugs, alcohol, social violence)	
Impacts on social cohesion	


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Safety incidents related to road transportation.


3. DEFINITION OF TERMS

Table 2: Definition of Terms

Term	Definition
Community	The people living in one particular area or people who are considered as a unit because of their common interests, social group, or nationality.
Contractor	A supplier, contractor or sub-contractor that delivers a service or provides commodities/products directly or indirectly associated with the project. This includes entities registered within Tanzania, International and Multinationals.
Corporate Social Investment (CSI)	Investment in projects aims to assist, benefit, and empower marginalised individuals and communities. CSI has a strong developmental approach and utilises company resources to benefit individuals and communities.
CSI	Corporate Social Investment
Employment: Lake Zone	Residents from the lake zone regions of Mwanza, Shinyanga, Kagera, Geita and Mara.
Employment: Local	Employment of Tanzanian citizens
Employment: Local - Local	Employment of Tanzanian citizens, who are residents of the primary zone of influence/directly affected communities.
Employment: Localised	Employment of Tanzanian citizens who are residents of the Ngara district.
Employment: Secondary Zone	Employment of Tanzanian citizens who are residents of the Kagera Region.
Enterprise and Supplier Development	Monetary and non-monetary support for existing or fostering of new companies, to contribute to their development, sustainability, and financial and operational independence.
ER / IR	Employee Relations / Industrial Relations
ESD	Education for Sustainable Development
ETD	Estimated Time of Delivery
Expatriates' recruitment	Employment of workers other than Tanzania Citizens
HR	Human Resources
ID	Identity Card
In migration	Migration into a place (especially migration to a country of which you are not a native to settle there).
Job creation	Job creation refers to the process of providing new jobs, especially for people who were previously unemployed or economically inactive.
Labour broking/brokers	A labour broker (or temporary employment service) is a person or company that temporarily provides labourers to client companies. The workers work at the client company site but are the employees of the labour broker, not the client.

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Term	Definition
Localised or primary zone of influence procurement	Comprises the zone of the primary physical impact caused by the operation/project as identified by the operation in consultation with stakeholders and usually includes the operation primary site(s) and associated infrastructure (including suppliers and contractors, infrastructure) and communities directly adjacent to these sites or impacted by them. Ngara District.
Multinational	A multinational corporation is a company that does business in a select few countries around the world and operates facilities such as warehouses or distribution centres in at least one foreign country. Although the company does business in other countries, its primary focus is the domestic market.
National recruitment	Tanzanian citizens from all areas of Tanzania
Non-discretionary spending (in preferential procurement terms)	Expenditure that a supplier or contractor, such as procurement from the public sector and public enterprises, cannot influence (taxation, municipal rates and taxes).
Poverty alleviation	Poverty alleviation aims to improve the quality of life for those people currently living in poverty. Another term that is often used is poverty reduction.
Procurement spend	Total Contract Value excluding payroll* and payroll allowances, non-discretionary spending, and contractual guarantees (direct spending on services, materials, and consumables). *Exception use of labour brokers.
Social responsibility	Social responsibility is an ethical framework in which individuals or corporations are accountable for fulfilling their civic duty and taking actions that benefit society.
Socially material	The perceived impact of the decision or action on stakeholders is substantial. Socially responsible.
Sole source	A sole source purchase is one where there is only one vendor capable of providing an item or service, and therefore it is not possible to obtain competitive bids.
SOP	Standard Operating Procedure
Sub-contractor	A subcontractor is a person or entity that has been awarded by the general contractor the performance of part of the work or services of an existing contract entered between the general contractor and the (original) contracting party.
Supplier/contractor: Lake Zone	A supplier, contractor, or sub-contractor, of which the business and owner/owners are Tanzanian, but neighbouring the Kagera Region, for instance, Geita, Mwanza, Mara and Shinyanga.
Supplier/contractor: Local	A Tanzanian-based and registered supplier, contractor, or sub-contractor, of which the business and owner/owners are Tanzanian citizens, with shareholding greater than 80%
Supplier/contractor: Localised	A Tanzanian supplier, contractor, or sub-contractor, of which the business and owner/owners are Tanzanian citizens, based and registered, who are residents of the District of Ngara for a period longer than three years.
Supplier/Contractor: Local-Local	A Tanzanian supplier, contractor, or sub-contractor, of which the business and owner/owners are Tanzanian citizens, based and registered, who are residents of the primary zone of influence/directly affected communities for a period longer than three years.
Supplier/contractor: Secondary Zone	A Tanzanian supplier, contractor, or sub-contractor, of which the business and owner/owners are Tanzanian citizens, based and registered, who are residents of the Kagera Region for a period longer than three years.
Tanzanian ownership	80% or more ownership and meaningful economic participation by Tanzanian citizens by birth of descent.

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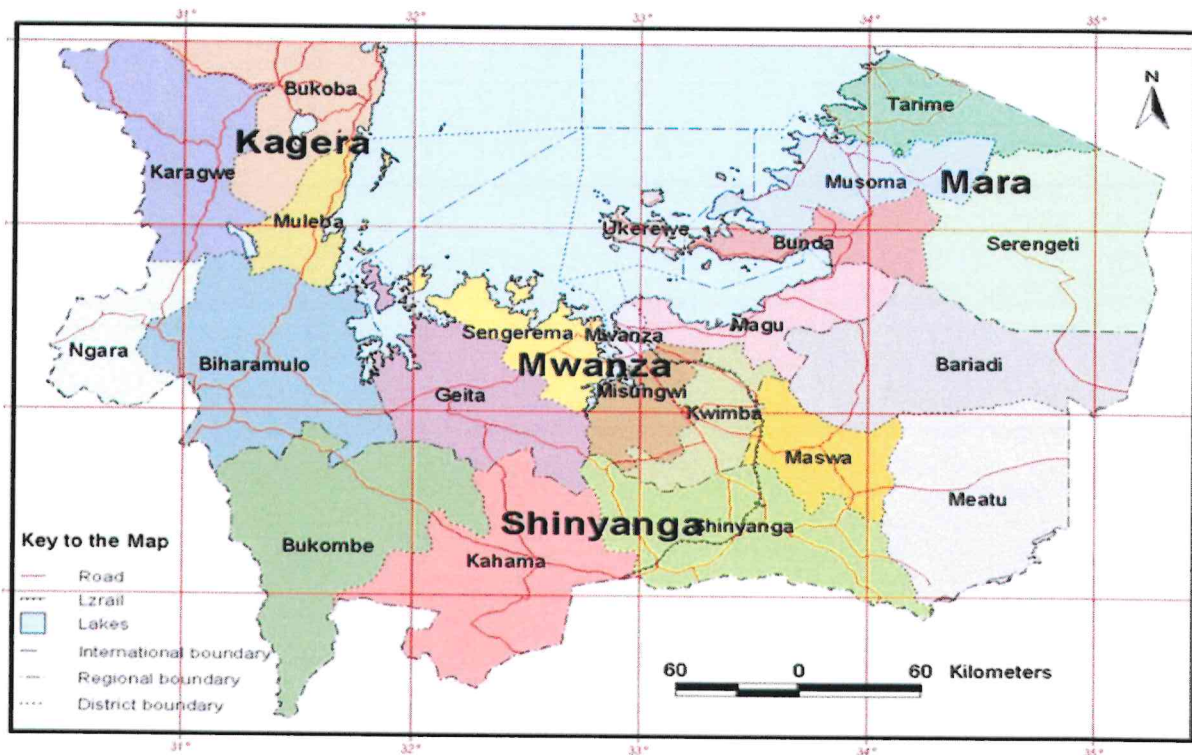
Term	Definition
TNCL	Tembo Nickel Corporation Limited


4. ZONES

Table 3: Zones and Definition

Zone	Definition
Local – Local Primary zone	Direct project affected villages of Bugarama village, Muganza village, Mukubu village, Nyabihanga village, Rwinyana village
Localised zone	District of Ngara
Secondary zone	Kagera Region
Lake zone	Residents from the Kagera neighbouring region, for instance, Geita, Mwanza, Shinyanga and Mara regions.
Local	Tanzania

Figure 1: Map illustrating Lake zones



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5. MANDATORY

Compliance with the social compliance guidelines is mandatory for all contractors and/or suppliers that fall within the stipulated criteria during the tender and development phases of the contract.

5.1 Criteria

Table 4: Criteria

Mandatory criteria	
Tender/Contract value: equal or above	USD 100000
Contract/Sub-contract duration	Equal or longer than 6 (six) months
On the instruction of the TNCL Management Team	

6. PRIORITIES

Social compliance is measured against the following priority elements:


- a) Ownership (localisation and transformation)
- b) Management control
- c) Local employment
- d) Skills development
- e) Preferential procurement and supplier development
- f) Socio-economic development/Corporate social investment

7. TENDER AND CONTRACTUAL AGREEMENT

Potential suppliers, contractors and sub-contractors will be assessed to determine social compliance commitments.

- a) Contractor social compliance requirements will be included in the tender documentation and submission requirements
- b) Social commitments will form part of the adjudication criteria
- c) Social requirements will be included in the contract with clear, measurable targets
- d) The social performance will be monitored

If it is determined that a potential contractor is not socially material and exempt from submitting and performing according to the Contractors Social Compliance Guidelines – it will be agreed upon during

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the tender phase and form part of the contractual agreement, stating that the contract is socially non-material and exempt.

8. SOCIALLY MATERIAL MATRIX

Table 5: Socially Material Matrix

Critical criteria	Risk	Category of critical factors
Size of the workforce required by the contractor, in particular, unskilled labour	<ul style="list-style-type: none"> Community expectation for employment Violation of labour law related to minimum wage Human rights issues related to: <ol style="list-style-type: none"> contractors labour contractor camps in/near local villages an influx of job seekers 	<ul style="list-style-type: none"> Construction-related companies Contract “mining “companies Load and haul companies Long-term service providers such as: <ol style="list-style-type: none"> cleaning and laundry services catering/canteen services camp management
Sensitive nature of work: Working within or near communities and villages	<ul style="list-style-type: none"> Raising community expectations Negative community impacts 	<ul style="list-style-type: none"> Social, resettlement and/or environmental consultants Protection services Construction companies Blasting contractors
Impact of work: Contractors whose work may have negative impacts on the community due to dust, noise, safety risks	<ul style="list-style-type: none"> Community complaints Community health issues Community safety issues Social issues related to the relationship between miners and the community i.e marriage issues 	<ul style="list-style-type: none"> Construction-related companies Contract mining companies Material handling services Transport services Heavy machinery services Blasting
Duration of contract: This relates to time spent on the operation/project by the contractor – over six months	<ul style="list-style-type: none"> Community expectation for employment. Potential for Human Resource Development and training Potential for local procurement opportunities and CSI initiatives 	<ul style="list-style-type: none"> Construction-related companies Contract mining companies Load and haul contractors Material handling services Facilities management service Cleaning and laundry services, Catering services.




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9. SOCIAL COMPLIANCE GUIDELINES AND TARGETS

Table 6: Social Compliance Guidelines and Targets

KPI	Beneficiaries	Minimum target	Submit as part of the tender included in the contract	Performance management	
Recruitment plan	Localised and local permanent and non-permanent employees	<ul style="list-style-type: none"> As per TNCL project standards Fair Transparent Communication 	As per the approved plan	<ul style="list-style-type: none"> Measure against the approved plan Progress reporting 	
	Unskilled	30%	Percentage of each employment level	Percentage of actual employment figures	
	Semi-Skilled	20%			
	Skilled	5%			
Professional	5%				
Local-Local employment	Growth Based			Percentage of each employment level	
	Unskilled	Year 1	Year 2		Year 3
	Semi-Skilled	100%	100%		100%
	Skilled	20%	22%		24%
	Professional	5%	6%		7%
	Unskilled	1%	2%		3%
	Semi-Skilled	0%			
Professional	20%				
Localised employment	Unskilled	10%		Percentage of actual employment figures	
	Semi-Skilled	3%			
	Skilled				
	Professional				

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KPI	Beneficiaries	Minimum target	Submit as part of the tender included in the contract	Performance management
Local employment – secondary zone of influence	Unskilled	0%	Percentage of each employment level	Percentage of actual employment figures
	Semi-Skilled	20%		
	Skilled	10%		
	Professional	10%		
Lake Zone Employment	Unskilled	0%	Percentage of each employment level	Percentage of actual employment figures
	Semi-Skilled	20%		
	Skilled	30%		
	Professional	15%		
*Local employment	Unskilled	100%	% Of each employment level	% Of actual employment figures
	Semi-Skilled	100%		
	Skilled	70%		
	Professional	70%		
<i>*Please note that this is a legislative requirement and that the TNCL is committed to targets, and builds towards meeting national targets.</i>				
Local skills development	Localised employees, as per skills development plan - measured per individual courses trained and	Minimum of 1% of total contract payroll value (excluding the cost of accommodation, meals, and transport provided/ allowances)	<ul style="list-style-type: none"> • Percentage of payroll value • Individuals trained • Skills courses 	<ul style="list-style-type: none"> • Actual Tanzanian shilling value and percentage against the target

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KPI		Beneficiaries	Minimum target	Submit as part of the tender included in the contract	Performance management	
Local procurement	Tanzanian shilling value spent.				<ul style="list-style-type: none"> Actual training and attendance registers 	
	Local-Local suppliers, contractors and sub-contractors - primary zone of influence	Minimum as a % of contractual procurement spend	Year 1	Year 2	<ul style="list-style-type: none"> Percentage of procurement spend and quantified as a Tanzanian shilling value Percentage applicable on all contractual addendums and additional scope of work and quantified as a Tanzanian shilling value 	<ul style="list-style-type: none"> Actual Tanzanian shilling value spent against the target Percentage performance and percentage target Progress reporting
			Year 3	9%		
Localised suppliers, contractors and sub-contractors	Minimum of 10% of contractual procurement spend			<ul style="list-style-type: none"> Percentage of procurement spend and quantified as a Tanzanian shilling value Percentage applicable on all contractual addendums and additional scope of work and quantified as a Tanzanian shilling value 	<ul style="list-style-type: none"> Actual Tanzanian shilling value spent against the target Percentage performance and percentage target Progress reporting 	



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KPI	Beneficiaries	Minimum target	Submit as part of the tender included in the contract	Performance management
	Secondary Zone suppliers, contractors and sub-contractors	Minimum of 20% of contractual procurement spend	<ul style="list-style-type: none"> Percentage of procurement spend and quantified as a Tanzanian shilling value 	<ul style="list-style-type: none"> Minimum of 20% of contractual procurement spend
	Lake Zone suppliers, contractors and sub-contractors	Minimum of 20% of contractual procurement spend	<ul style="list-style-type: none"> Percentage of procurement spend and quantified as a Tanzanian shilling value 	<ul style="list-style-type: none"> Minimum of 20% of contractual procurement spend
	**Local spend	Minimum of 90% of contractual procurement spend	<ul style="list-style-type: none"> Percentage of procurement spend and quantified as a Tanzanian shilling value Percentage applicable on all contractual addendums and additional scope of work and quantified as a Tanzanian shilling value Localise procurement plan 	<ul style="list-style-type: none"> Actual Tanzanian shilling value spent against the target Percentage performance and percentage target Progress reporting Per procurement plan Alternative or mitigation report
	<p>**Please note that this is a legislative requirement and that the TNCL committed targets, build towards meeting the national targets.</p>			

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KPI	Beneficiaries	Minimum target	Submit as part of the tender included in the contract	Performance management
International and multinational contractors/supplier Enterprise and supplier development	Local primary and secondary zone suppliers, contractors, or subcontractors	Minimum of 1% of the total contract value	<ul style="list-style-type: none"> ESD plan Value of the monetary and non-monetary commitment spend 	<ul style="list-style-type: none"> Value of the Monetary and non-monetary commitment spend Progress reporting
International and multinational contractors/supplier Corporate Social Investments (CSI)	Local primary and secondary zone individuals, communities, or projects/initiatives (CSI project/initiative subject to approval by TNCL)	Minimum of 1% of the contract value	Percentage commitment	<ul style="list-style-type: none"> Actual Tanzanian shilling value spent against the target Percentage performance and percentage target Progress reporting

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9.1 Practical Example of Local Recruitment Targets

Table 7: Practical Example of Local Recruitment Targets

Local Employment		Target	Achieved
Local-Local employment	Unskilled	100%	100%
	Semi-Skilled	20%	21%
	Skilled	5%	6%
	Professional	1%	0%
Localised employment	Unskilled	0%	0%
	Semi-Skilled	20%	18%
	Skilled	10%	8%
	Professional	3%	2%
Local employment – secondary zone of influence	Unskilled	0%	0%
	Semi-Skilled	20%	25%
	Skilled	10%	5%
	Professional	10%	18%
Lake Zone Employment	Unskilled	0%	0%
	Semi-Skilled	20%	25%
	Skilled	30%	19%
	Professional	15%	12%
Local employment (Tanzanian but outside the 4 defined zones)	Unskilled	0%	0%
	Semi-Skilled	40%	29%
	Skilled	70%	35%
	Professional	70%	35%
Total Local employment	Unskilled	100%	100%
	Semi-Skilled	100%	100%
	Skilled	70%	73%
	Professional	70%	67%

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9.2 Practical Example of Local Procurement Targets

Table 8: Practical Example of Local Procurement Targets

Local procurement	Target
Local-Local suppliers, contractors, and sub-contractors - primary zone of influence	5%
Localised suppliers, contractors, and sub-contractors	10%
Secondary Zone suppliers, contractors, and sub-contractors	20%
Lake Zone suppliers, contractors, and sub-contractors	20%
Local spend (Tanzanian companies but outside the 4 defined zones) - Rest of Tanzania	35%
Total Tanzania	90%

10. TENDER SUBMISSION: SUPPORTING DOCUMENTATION

10.1 Recruitment Plan

To enhance the benefits of the project operations to the communities directly affected, the contractor must maximise local employment from the local area, and primary and secondary zones of influence.

The contractor shall submit a Recruitment Plan during the tender stage, which shall indicate how the contractor aims to communicate employment opportunities, and interview and select individuals fairly, openly and transparently to achieve the target set.

When employing locally, the correct procedure must be followed, as agreed with the project management team and communicated to local communities and stakeholders.


Recruitment on-site or at the gates of the operation is strictly forbidden. The recruitment process must be clear, transparent, and in line with TNCL policies and procedures.

10.2 Local Employment

10.2.1 Project Labour Planning

Objective:

To provide contractor compliance guidelines that are consistent with the Company's labour management strategies and the Tanzania Labour Law.

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Introduction:

TNCL notes and understands that Contractors have their own HR procedures, TNCL does, however, expect that all Contractors adhere and align to this Contractors Compliance Framework.

Recruitment and Selection:

All contractors must have a labour plan approved by the Management of TNCL before embarking on a recruitment process. The Contractor must forward their requirements (project component, vacancies with exact job descriptions, duration of employment, conditions of services etc.) to the TNCL Human Resources Department for approval.

All skills required by the contractor will as the first entry point be sourced from the affected communities listed on the TNCL Skills Database.

All contractor and sub-contracting companies will recruit labour from the local communities through the TNCL recruitment process. Agreed on local recruitment targets.

10.2.2 A detailed manpower plan with minimum requirements


- Position
- Level – unskilled, semi-skilled, skilled, professional
- Employment/contract start date
- Employment/Contract term
- Ringfenced for the local indicator
- Summary of actual vs target

10.2.3 A flowchart indicating

- Total number of employment opportunities and employees employed/contracted per level
- Flow/movement of staff according to contract requirements and duration

10.2.4 Organogram

- Position/Designation
- Level
- Reporting Lines
- Permanent/Temporary/Contract
- Legal Appointment

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11. SKILLS DEVELOPMENT: EMPLOYEES AND COMMUNITY

Longer term (12 months and beyond) contractors must submit development plans regarding their ETD commitment to their employees before the commencement of work with detailed implementation to the TNCL HR Manager.

All contractor employees will be incorporated into TNCL development methodology to ensure that the appropriate implementation and reporting mechanisms are in place.

The objectives of the Skills Development programmes will be to


- Create a talent pool for the Mine and plant
- Equip people with portable skills to become self-employed or employed in sectors other than mining, e.g., construction and agriculture, and
- Equip people with the specific skills needed according to the mechanized mining methodology to be applied at the Mine

The Mine will confirm that all personnel of its contractors are qualified for the positions they have been appointed to by scrutinizing all qualifications and training records during the recruitment phase. They also must be trained on the mine's procedures as per the approved Training Matrix.

Skills Development Plan of the Mine

The skills development plan must be as far as possible supported by long-term contractors and it is based on the following principles:

- a) The mine works plan was utilised to identify the number of people and job titles that are required for each of the departments and production sections for the mine
- b) The job titles indicate the training profile that would be required for each position
- c) The Labour plan informs the Human Resources function on the mine of the number of people to be recruited at each skill level, as well as the timeframes for the recruitment drive
- d) The actual skills of the employees that are recruited are measured and the gap between the required skills profile and the actual skills profile then determines how many people require what development
- e) Specific training interventions have been identified to ensure efficient production in the mine.
- f) A training plan and budget are developed for this required training; and
- g) Training occurs to correct the gap between the required and actual skills profiles for the mine workforce

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HR Development Scope

The following is TNCL's scope all long-term contractors must endeavour to align their skills development training in areas of their local recruitment, to enable the Company to comply with the view through interaction with TNCL's HR department collaboration to identify relevant applicable skills for training.

Localise/Local Procurement


In line with Social Compliance Guidelines of enhancing the benefit to the local communities affected by the TNCL project activities, promoting job creation, and embracing transformation targets and the Government's development drive, the contractor is required to support this vision by procuring goods and services from local suppliers, contractors, and sub-contractors.

The contractor shall submit a procurement plan during the tender stage, which shall indicate how the contractor aims to communicate procurement opportunities, adjudications and contracting in a fair, open and transparent manner to achieve the target set.

A detailed procurement plan must clearly indicate the procurement process that will be followed to communicate open, ringfenced and unbundled procurement opportunities to local businesses in an open, fair, and transparent manner.

Procurement plan, based on the scope of work minimum requirements

- Item/Service/Product/Commodity
- Procurement planned date
- Procurement/Contact type
 - a) Supply
 - b) Contracted
 - c) Sub-contracted
- The procurement process to be followed
 - a) Open tender
 - b) Closed tender
 - c) Request for quotation
- Ringfenced
 - a) Local – primary zone
 - b) Local – secondary zone
 - c) Local – Tanzanian
- Amount/Value
- Sole source indicator, with motivation

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All procurement commitments must be quoted

- Tanzanian shilling value
- Percentage of procurement spend
- Percentage of total contract value

If an opportunity is earmarked for subcontracting, the report must indicate the following.

- The percentage (%) of the contract value that shall be sub-contracted by the contractor to local businesses
- The value
- Will a joined venture arrangement be an option

Sole source motivation


A sole source motivation must be provided if a procurement opportunity is reserved for a sole source procurement process, i.e., no competitive tender process is undertaken for a particular need. This will apply to sole source opportunities during the tender and operational phases of the project or contract. It is the TNCL Project Management team’s prerogative to reject sole source procurement processes based on the assessment of whether the opportunity is socially material.

Enterprise and Supplier Development

Tender submission for projects with a value of more than USD 1,000,000 and an estimated contract period of 24 (twenty-four) months or longer will be required to consider supporting local economic development and submit an enterprise and supplier development plan.

Minimum Requirements

- a) The opportunity
- b) Supply/Commodity/Service
- c) Beneficiary selection process
- d) Training and development plan
- e) Quote monetary and non-monetary values
- f) Quote the commitment as a percentage of the total contract value
- g) Duration
- h) Sustainability
- i) Designated/Responsible person

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Corporate Social Investments (CSI)

Contractors working on site for more than 6 (six) months will be required to consider supporting CSI projects in agreement with the TNCL Project Management Team.

As part of the tender submission, the tenderer should list

- a) Company CSI policy
- b) The company preferred CSI initiatives
- c) Shortlist three local initiatives/projects aligned with company policy for consideration
- d) Quote the commitment as a percentage of the total contract value
- e) Quote the Tanzanian shilling value committed
- f) Designated/Responsible person

TNCL project management team will identify a suitable CSI project for beneficiation or approve a tenderer's preferred short-listed project as part of the contractual agreement.

Should the tendered/contractor not have the capacity or necessary experience to identify and implement a CSI initiative, they can honour their CSI commitment by contributing towards a development fund managed by TNCL. The contribution will be reserved and dedicated to supporting CSI and developmental initiatives in the TNCL primary zone of influence.


12. SOCIAL COMPLIANCE ADJUDICATION MATRIX

Contractor Social Compliance will carry five points (5% weighting) in the tender adjudication process.

Table 9: Social Compliance Adjudication Matrix

KPI	POINTS	WEIGHT
Recruitment Plan	10	10%
Local employment	30	30%
Local skills development	10	10%
Local procurement	30	30%
Enterprise and supplier development	10	10%
Corporate Social Investment (CSI)	10	10%
TOTAL	100	100%

In case the contractor is required to bring skills from outside TNCL host communities or databases, the contractor will be expected to provide proof that such skills could not be found locally, firstly from the

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Database and then in the broader mine communities. The approved labour from outside the affected communities should be supplemented with entry-level local labour to meet local employment percentages. Contractors should pay for these instances in the tender phases.

Recruitment agents can only be utilized when the contractor has successfully proven that the required skill(s) could not be found on the TNCL’s skills database and **ONLY** by pre-approval. Such agents must also meet the requirements of TNCL’s Procurement and the Tanzania Labour Law requirements.

The Contractor can only appoint all candidates once an individual has been found fit to perform work by the appointed Medical Practitioner. Following the appointment of successful candidates, the contractor must provide detailed feedback regarding the recruitment process; why the appointed candidates were chosen, and why the rejected candidates were not chosen for the specific related position. This will be submitted per the recruitment request and position. Copies of the Proof of Residence verified by the relevant Contractor official and TNCL Community relations officer must be kept on file for audit purposes by the contractor and at TNCL.


The contractor must ensure that verification of information regarding qualifications, driver`s licenses, ID numbers, etc. is carried out by an accredited provider. Such reference checks must be conducted on *all* contractor employees. All employees must at least meet the minimum selection criteria of approval via the recruitment request.

The final selection of all new employees will be based on the assessment of the applicant`s skills and competencies against the specific job specification. Selection criteria scores per candidate interviewed must be filed to prove a fair and objective selection process.

12.1 The Prospective Contractor shall furthermore warrant

The prospective Contractor's compliance and continued compliance with the basic minimum wages and conditions as determined by the Tanzania Labour Law, any applicable collective agreement, as may be amended from time to time, shall be complied with, and shall not correlate with any fees paid by the Client to the Prospective Contractor.

Only when the contractor has complied with the above-mentioned requirements, can its employees be granted access to the site based on HR compliance to do induction and relevant site training and proceed to work. ID cards will be printed by TNCL for the contractor’s site access.

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12.2 HR Project Specific

All Contractors must comply with site-specific instructions given from time to time by TNCL. The contractor must comply with TNCL' Rules at all times. Where contractor procedures conflict with TNCL procedures and policies, TNCL's procedures will supersede that of a contractor or as per agreement reached.

12.3 HR Reporting

The following labour reports are required from the Contractor, or as agreed to by the Chief Operating Officer and General Manager, HR Manager supported by the Chief Human Resources Officer, OHS and Security Manager and the Contractor.

a) Daily

- i. Employee Relations issues
- ii. Recruitment Feedback - Pipeline Report
- iii. Labour Strength (at work and in-service figures)
- iv. Labour Figures for local vs non-local according to the percentages agreed; and
- v. Shift clearance report

b) Weekly


- i. Hours worked
- ii. Shifts worked; and
- iii. Labour strength (Service figures)

c) Monthly

- i. Labour report
- ii. Labour strength/In service
- iii. Labour projection for the next month (three months rolling)
- iv. Labour turnover
- v. Terminations and proof of exit medicals
- vi. Minutes of relevant organised labour, employee, and safety meetings.
- vii. Medical Surveillance follow-up report
- viii. Wellness monitoring reporting
- ix. Monthly wage totals per contracting company; and
- x. or any other as requested by TNCL or its principles

d) Annually

- i. Contribute towards all statutory and other annual reports as and when required.

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- ii. The Contractor must submit plans to demonstrate that local, women, youth, and people with disabilities are employed in their structure.

12.4 Employment Relations

Any other urgent matters pertaining to employees, that have potential industrial action, or related consequences should be verbally reported to TNCL's Human Resources Management, as soon as the potential incident becomes known, afterwards a formal report must be submitted within 24 hours of the initial verbal report.

All Contractors (including sub-contractors) must, without exception, have Employee Relations Procedures and staff managing it, in place. Copies of the above Procedures must be attached to tender documentation for review, and or handed to the HR department at the relevant kickoff meeting.


All contractors are required to submit all collective agreements entered between the Contractor and its employee representative body (collective labour) to TNCL during, if concluded by the central workplace, or as soon as concluded in the current workplace.

The following TNCL procedures shall be implemented and operated by the Contractors.

- a) Disciplinary Code, Policy, and Procedure
- b) Grievance Procedure
- c) Dispute Resolution Procedure
- d) Anti-bribery and Anti Corruption Policy
- e) Demobilisation Procedure
- f) Communication and Coordinating Structure
- g) No Child Labour Policy or Procedure; and
- h) Project Calendar

12.5 Employment Relations Training Responsibility

- a) All Contractors must ensure that their entire managerial and supervisory staff is trained, conversant and competent on the content and aims of the various HR Employees Relation (ER) Procedures mentioned above.
- b) The Main Contractor will ensure that all sub-contractors are trained and familiar with these procedures. All Contractor employees must be informed of the content of these procedures during the formal induction process. Proof must be submitted to the HR department.
- c) A portfolio of evidence of the employee relation training conducted and content shall be provided to the TNCL HR Management prior to commencing any work.

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12.6 Industrial Actions Guidelines


- a) Potential industrial uneasiness and risk need to be reported to the TNCL HR team and the Sustainability team when identified.
- b) The Contractor must report to the TNCL HR Manager any industrial action as soon as possible and within an hour after the incident has occurred.
- c) The Contractor shall deal with all forms of industrial action urgently and professionally and shall include this risk in their baseline risk assessment.
- d) The Contractor must have strike-handling procedures in place before commencing work at TNCL.
- e) The Contractor shall attempt to resolve the dispute at the lowest possible level, within its organisation.
- f) For this purpose, the Contractor shall, at the commencement of a contract, submit to the TNCL HR Manager a list of supervision and managerial employees responsible for dealing with ER situations. This list must include all the relevant contact details for these individuals.
- g) Where industrial action impacts, or has the potential to impact, across the Project or communities, or where it could impact TNCL' a Human Resources official shall meet with the Contractor at the earliest possible time, to formulate a dispute resolution strategy.
- h) The TNCL's HR Manager supported by the Chief Human Resources officer shall oversee the implementation of the dispute resolution strategy agreed upon by the Contractor.

12.7 Legal Compliance

- a) All relevant and applicable Tanzanian Labour legislation, such as the Mining Safety Occupational Health and Environmental Protection Regulation inclusive of relevant and applicable National and Regional statutory collective bargaining arrangements and agreements, will apply to the Contractor during the execution of the contract.
- b) All Contractors are expected to comply with the TNCL Social and Labour Plan commitments. On commencement of the contract, the Contractor will comply with the Local Content, especially in terms of Women in Mining, Youth, and persons with disabilities components.
- c) All Contractors need to ensure that the required Industrial relations policies and procedures are in place and applied to their employees.
- d) All Contractors shall comply with the OSHA, Mining Act or any other regulations as amended.

12.8 Specific Restrictions

- a) No recruitment will be allowed on site and/or at the gate or in any of the Kabanga and Kahama communities. Contractors/ agents found guilty of this practice may be compelled to leave the Project and if applicable will face appropriate disciplinary action by their own company.

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- b) No late or non-payments of salaries and wages by Contractors, Subcontractors or Service Providers will be accepted. Failure to comply with this requirement may result in the termination of the contractual arrangements between TNCL and the transgressing Contractor. TNCL will not carry the risk of the contractor's non-payment to its employees.
- c) No job offers are allowed in terms of any existing or non-existing positions without an approved Position requisition.
- d) No standing time will be claimed by the Contractor for any form of industrial action by its employees if it was not managed inside the approved ER/IR policies or as per the contractual agreement between the parties.


Communities and their governance structures always must be respected by all employees and no engagement with communities will be conducted without the Company's Community Social Relations team being informed and part of the planning and execution.

NOTE

In case of employment for the replacement of an expat who left the company, the work permit of the one who left the company must be sent to TNCL HR.

12.9 Site Procedures for all Contractors

- a) The contractor must appoint a key contact person to be able to respond to all administration requirements.
- b) The person appointed will be in contact with the TNCL Human Resources Official
- c) TNCL Human Resources Officer should assist all contractors to resolve administration problems and bottlenecks.
- d) All contractors should be able to send to the TNCL Human Resources Official file containing:
 - e) List of expatriates on site
 - f) Copy of their passports
 - g) Copy of the visa, resident card, working card or Proof of submission
- h) At each end of the month, all contractors must submit to the TNCL Human Resources Official an updated list of employees on-site indicating
 - The previous total number of employees on site
 - Those that are out for Rest and Recuperation
 - The resignations where applicable, and
 - New employees that join the project over the same period

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All Contractors must ensure that all entry-level labour structures **do NOT** include foreigners i.e., non-Tanzanian citizens. The Contractor should only employ employees from the affected communities as indicated, and can only employ non-local employees to provide specialised skills to the Project in circumstances where the required skills are:

- a) Not available in the affected community and villages situated in the footprint of the Project
- b) Not available in the wider local area
- c) Not available in the district area
- d) Not available in the National area
- e) Available but not in sufficient numbers in the above-mentioned areas

Contractors are not allowed to pilfer labour from one another on the TNCL project. In case of promotional opportunities, the contractor can obtain agreement from the TNCL Management to continue with the appointment.

No standing time will be claimed by the Contractor for any form of industrial action by its employees if it was not managed inside the approved ER/IR policies. The signed commercial agreement will supersede.

Communities and their governance structures have to be respected by all employees at all times and no engagement with communities will be conducted without the Company's Economic Social Development team informed and part of the planning and execution.

NOTE: Contractor's site accommodation shall comply with the TNCL Kabanga Site Accommodation SOP(TNCL-HRE-SOP-0001)


12.10 Reporting, Monitoring and Compliance

As the contract outlines, the social KPIs will be managed and reported monthly reporting per the standard TNCL social compliance reporting format will be a contractual requirement. In addition to this, social KPI audits will be undertaken.

12.11 NON-COMPLIANCE

Non-compliance on any of the contractor's social compliance items will result in the following.

- a) Contractual letter requesting a mitigation plan and corrective action within 14 (fourteen) days
- b) Sixty days to prove compliance and meet contractual obligations
- c) Failure to implement the above mitigation steps and targets will result in a breach of contract with full legal implications

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13. SYSTEM EVALUATION

This guideline shall be reviewed at least two years by members of the Procurement, Human Resources, and OHS Departments and presented to the Standard Committee for approval, or when organizational changes take place or are required as part of internal and external audits. The TNCL Document Controller will monitor compliance with the document control system on an ongoing basis.

14. DISTRIBUTION

List physical locations which require a controlled copy of this document.

Table 10: Distribution

Copy	Controlled Document Folder Location
Master	Controlled Documents Central Filing System


15. CONTRAVENTION

Any breach of this guideline shall be regarded as refusal/failure to carry out a lawful instruction and will be dealt with as per the disciplinary procedure.

16. DOCUMENT CHANGE PROCESS

The document change process starts when the document custodian identifies a need to make changes within the document. The document custodian/ owner shall complete the document change request form, sign it off, and submit it to the Document Controller.

The Document controller shall issue the controlled word copy of the document to the respective document custodian/owner so that changes may be made. The document custodian/owner shall resubmit the updated document to the document controller so that the document can be controlled and updated within the Filing system ready for use by the end users.

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16.1 Reason for Change

Table 11: Reason for Change

A	As a result of incidents	F	Change in training requirements
B	As a result of the audit findings	G	Results of risk assessments
C	New / changes in governance documents	H	Change due to spelling or grammatical error
D	Changes in legislation	I	New document format
E	Changes in technology	J	To integrate special instruction into the document control system

16.2 History of Change


Table 12: History of Change

Date of Change	Revision No	Revised Item (paragraph Number reference if required)	Reason Code	Name of Reviewer
14 th June 2024	00	New document	G	J.Ruzibiza

17. RECORD CONTROL

Table 13: Record Control

Document Title:	Document ID:	Responsible for Maintenance:	Responsible for Filling:	Location of Storage:	Retention Period:	Method of Disposal:
TNCL Contractors Compliance Guideline	TNCL-PRO-GDL-0004	Document Controller	Document Controller	OHS Department	Hard Copy two Years	Hard copy shared file electronic

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18. DECLARATION

I hereby declare that I have taken part in the discussion of this guideline, and I understand its contents and do commit that I shall ensure compliance hereto:

	Name and Surname	Company Number	Designation / Role	Signature	Date Signed
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