	MOPANI COPPER MINES MANAGEMENT PLAN CONTRACTOR PENALTY SYSTEM		
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PURPOSE			
To provide guidelines by which contractors can be penalized for non-compliance to Mopani's HSE standards and applicable legislation			

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DOCUMENT REVISION CONTROL

REVISION NUMBER	PAGE NUMBER/S	CHANGE EFFECTED	DATE OF ISSUE
6.0		Copy for signatures	16 th January 2012
6.1	3	Title change from Group Head of Safety to Safety Superintendent, Medical Superintendent to Manager Medical & Manager Administration/training to Manager.	22 nd January 2013
6.1	4	Title change from Group Accounting Manager to Group Financial Controller	22 nd January 2013
6.1	5	i) Currency rebase ii) Review of penalties & inclusion of examples of types of offences iii) Title change from Group Head of Safety to Safety Superintendent.	22 nd January 2013
6.2	All	Copy for review and comments circulation	14 th March, 2013
7.0	All	For circulation and signatures	27 th March, 2013
7.1	All	Company Logo has been officially changed with effect from 26 th March 2015 without variation in document content. A waiver has , therefore, been granted to effect these changes without recourse to appending fresh signatures for this particular change	26 th March 2015
8.0	All	Released for official use	29 th April 2015
8.1	7,8	Made an Inclusion on Development Offences. Change of approver from CEO to Chief Officer Business Control.	19 th September 2018
8.2	All	Copy for review and comments	2 nd October 2018
9.0	All	Copy for signatures	29 th October 2018
9.1	All	Change of Company logo.	
10.0	All	Change approved without recourse to fresh signatures as the change does not significantly impact the intent of the document.	18 th June 2019
10.1	Page 1	Change of approver from Chief Operating Officer to Chief Officer Technical Services	8 th September 2021
	Page 3	Revised the approval list to align it with the electronic signing of documents	
	Page 6	Included and new section within table 1 of the first offence in the column of examples 5 and 6	27 th October 2021
10.2	All	Copy for Management Review	15 th November 2021
1.0B	All	Copy for Signatures	22 nd November 2021
1.1B	All	Company Logo has been officially changed with effect from 20 th May 2024, changes in job title for the approver from Chief Officer TS to G M - Mining & Technical Services & inclusion of new reviewers/approvers.	20 th May 2024
1.2B	All	Copy for Management review	01 st August 2024
2.0B	All	Copy for Signatures	12 th August 2024

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REVIEW AND APPROVAL SIGNATURES

ROLE	RESPONSIBILITY	NAME	SIGNATURE	REVIEW DATE
ORIGINATOR	Superintendent Safety	Christopher Chileshe	<i>Christopher Chileshe</i>	15-01-2025
DEPARTMENT MANAGER	Head HSE & ESG	Glenda Kasonde	<i>Glenda Kasonde</i>	15-01-2025
REVIEWER 1	Manager QA & AS	Obed Mahenga	<i>Obed Mahenga</i>	16-01-2025
REVIEWER 2	Manager Training and Development	Dr Christopher Chileshe	<i>[Signature]</i>	21-01-2025
REVIEWER 3	Supply Chain Manager	Gershom Tanga	<i>Gershom Tanga</i>	21-01-2025
REVIEWER 4	Senior Internal Audit	Bwalya Peters	<i>Bwalya Peters</i>	29-01-2025
REVIEWER 5	Company Secretary	Alick Gondwe	<i>Alick Gondwe</i>	03-02-2025
REVIEWER 6	Chief Services Officer	Oscar Matebele	<i>Oscar Matebele</i>	03-02-2025
REVIEWER 7	Manager Finance Operations & Business Planning	Manish Agarwal	<i>Manish Agarwal</i>	13-02-2025
REVIEWER 8	Head of Processing	Joel Kgomo	<i>Joel Kgomo</i>	17-02-2025
REVIEWER 9	Head of Engineering	Thiru Muthusamy	<i>Thiru muthusamy</i>	22-02-2025
REVIEWER 10	Contracts Manager	McGillan Grant	<i>McGillan Grant</i>	24-02-2025
REVIEWER 11	Head HSE and Governance	Ulrich Sibilski	<i>Ulrich Sibilski</i>	27-02-2025
REVIEWER 12	Head of Mining	Rajeev Bora	<i>Rajeev Bora</i>	04-03-2025
APPROVED BY	Chief Executive Officer	Charles Sakanya	<i>Charles Sakanya</i>	04-03-2025

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1. SCOPE

This management plan provides guidelines by which contractors can be penalized for non-compliance to Mopani's HSE standards and applicable legislation and applies to all Contractors operating at Mopani Copper Mines Plc.

2. OBJECTIVES

This management plan has been established to:

- a) Ensure that contractors working at Mopani Copper Mines conduct themselves in a manner that will not expose people working on MCM property to any adverse health, safety and environmental risks.
- b) To make contractors aware of their duties and responsibilities regarding health, safety and the environment in terms of Zambian legislation and other applicable regulations, procedures and standards adopted by Mopani Copper Mines.

3. RESPONSIBILITIES

POSITION TITLE	ROLE	DESCRIPTION OF TASK
Manager HSE	Develop, review and amend this document	Develop and review this management plan on an ongoing basis.
Superintendent Contracts	Communication	To ensure that contractors are informed in writing of this management plan and that they acknowledge their understanding in writing.
Finance Corporate and Financial Reporting Manager	Manage deductions	To ensure that the fines issued by Department Managers are deducted from the contractor principals' earnings at the end of each month.
Department Managers	Authorise fines	To ensure that fines are imposed in accordance with this management plan and that they personally authorise the fines.
HSE Co-ordinators	Assistance and monitoring	To assist in monitoring contract operations and to report transgressions to line management.
Line managers	Monitoring and investigation	To monitor contract operations, to investigate transgressions observed or reported to them and to inform the responsible manager of any transgression.
Contractor	Adherence	To comply with the contents of this management plan at all times and to carry out inspections regularly and action deviations noted.

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4. MANAGEMENT PLAN STATEMENTS

This management plan has been developed to encourage all contractors working at Mopani Copper Mines to comply with Mopani HSE standards and applicable legislation.

4.1 RULES

- 1 Fines will be imposed on the contractor principal for all life threatening conditions/acts found/occurring in workplaces for which they are responsible.
- 2 Fines will not be imposed on contractor principal for unsafe acts that are not life threatening that are committed by their employees. In such cases the name of the employee will be submitted to the contractor principal via the department manager who shall then take the appropriate disciplinary action against the individual/s concerned. Feedback to the department manager will be required.
- 3 The fine system is payable by the contractor principal and will not be transferable to employees.
- 4 Penalties will be cumulative for the period of six months from the date the first penalty is incurred.
- 5 If no further penalties occur within six months of the first penalty being incurred, then the contractors record will be cleared of all previous transgressions.
- 6 Penalties will thereafter increase in severity as indicated below:

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Table 1 – Penalties

Offence No	Penalty	Examples of types of offence
1	K20,000.00	<ol style="list-style-type: none"> 1. Working without a Permit. 2. Operating without valid First Aid Certificate. 3. Operating without legally appointed persons. 4. When the Contractor Injury Frequency Rate is above 20 % MCM set target e.g. LTIFR=0.4 (0.48) TRIFR+=3.2(3.84) 5. An attempt to use visitor access application in order to bypass the normal Contractor engagement process required by the SDA, 6. Use of employee from another company not cleared by SDA. 7. Contractors will be fined for allowing employees to report for work without clock in and out
2	K30,000.00	<ol style="list-style-type: none"> 1. When the employees of a contractor are not attending daily safety talks. 2. Employees performing work without Silicosis Certificate. 3. Not complying with PPE standard requirements. 4. To hide that they have recruited outside the establishment, some contractors elect not to send their employees for induction 5. Provision of inaccurate Labour figures affecting the calculation of the various injury frequency rates
3	K40,000.00 – The contract will also be reviewed by the responsible MCM Line Manager, the Contractor and Safety Superintendent during which a plan to correct behaviour and	<ol style="list-style-type: none"> 1. Contractor employees / performing work without attending general/site induction. 2. All contractor employees / nobody allowed to perform job without HSE induction 3. Any contractor that commit severe breach of Mining Regulation(s) that may cause serious or life

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Offence No	Penalty	Examples of types of offence
	conditions will be formulated.	threatening injury of an employee while at work.
4	K50,000.00 – The contract will also be reviewed by the responsible Department Manager and Manager HSE following which a decision will be made as to the future of the contractor.	<ol style="list-style-type: none"> 1. Contractor employees working without a crew boss or supervisor. 2. Appointing untrained crew boss or supervisor. 3. Executing unplanned job and poor-quality job. 4. Failure to treat the Safety and Health risk of employees to ALARP by Principal Contractor leading to serious injuries

This system will not replace personal fines imposed by the Mine Safety Department for breach of regulations or the contractor's internal disciplinary code.

4.2 ADDITIONAL PENALTIES

As an outcome of a Baseline assessment conducted by Mopani, a set of high-risk behaviors were identified among contractors performing development services. This Addendum aims at including the identified high-risk behaviours as offences in the Contractor Penalty System as described below. The offences will be monitored for every blast using the agreed and approved Quality Management System (QMS). A blasting logbook will be maintained per shaft and QMS reports will be signed off by the person in charge (PIC) prior to the initiation of any blast. Post blast assessment will be conducted and recorded at the start of every new blasting cycle at every blasting face. Critical controls that are not-negotiable will lead to a "Stop and Fix" intervention as a staged approach to quality blasting. Offences will be penalized as per the Table below.

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Table 2

DEVELOPMENT. Offence No.	Penalty	Types of Offence
SAFETY		
1.	<p>K40, 000.00 The contract will also be reviewed by the responsible MCM Line Manager, the Contractor and Safety Superintendent during which a plan to correct behavior and conditions will be formulated. Zero tolerance policy will be observed on safety offences.</p> <p>With reference to offence number 4 on table 1, (3.) Executing unplanned job and poor quality job (4.) Not adhering to SWP or Mopani authorities and instructions. Blatant disregard, and repeat offences</p> <p>K50,000.00- The contract will also be reviewed by the responsible Department Manager and Manager HSE following which a decision will be made as to the future of the contractor</p> <p>K50,000.00 - Fine will be applied to Contractors repeatedly achieve a rating below 90% for their Best Practice audits</p>	<p>i. Failing to wash down a face.</p> <p>ii. Support noncompliance, max 1m x 1m.</p> <p>iii. Ventilation ducting failure max 20m from face.</p> <p>iv. Failure to clean out and to treat misfires. Failure to plug sockets. Bad housekeeping, footwall condition, Cable and water hose not suspended to sidewall.</p> <p>vii. Marking within 150mm from sockets.</p> <p>viii. Drilling into sockets. Not barred down to standard.</p> <p>ix. Drill rig not barricaded off 10m behind drill. PIC did not ensure that he is in possession of all required safety and measuring tools to enable him to conduct his duties safely.</p> <p>xii. Explosives not carried in approved containers during transportation.</p>
		<p>xiii. Explosives storage boxes not in place or used correctly.</p> <p>xiv. Abandonment of explosives.</p> <p>xv. Explosives chain of custody not in place at all times.</p>

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POST BLAST ASSESSMENT		
4	To be monitored and the amount to be determined as per current QS methodology for overbreak and underbreak. Advance to be deducted from payment per meter, as a function of percentage shortfall of total below 95% pull factor.	Over-underbreak survey measured. Shortfall of advance below a 95% pull factor.

4.3 PULL FACTOR ON ADVANCE

The drilled depth for any development end is planned at 3.2m. With basic accuracy, a minimum of 95% pull factor is expected. For example, if a contractor drills the planned and required 3.2m, then a minimum of 3m advance is expected. If the contractor achieves 2.7m, which is the current average, then 30cm is the shortfall from 3m. In this case, a 10% deduction from the contractor's invoices for that blast will apply.

4.4 PROCEDURE

- a) When a company commits a transgression it will immediately be reported to the most senior line management official present in the working area.
- b) The official will investigate the transgression immediately to determine the validity of the report. If the report is accurate the mine official will take the necessary corrective action to normalise the situation.
- c) The official will submit a report of his findings on Form [FM-SA-040](#) to the responsible Department Manager before the end of the shift.
- d) The Department Manager will, if in agreement with the findings, impose and authorise a fine on the contracting company and complete Section 2 of [FM-SA-040](#) before forwarding a copy to the contractor principal and sending the original to the Group Financial Controller for processing.
- e) The Department Manager or delegated authority will inform the contractor principal that a fine has been imposed and the reasons why. The contractor principal will have the right to appeal the decision. A copy of details of noncompliance will be kept in the Contractor file at SDA.
- f) On receiving the original form [FM-SA-040](#) from the Department Manager through HSE Manager or his Nominee, the Group Financial Controller will process the fine and deduct the said amount from the monthly payment to the contractor. The money will be held in an approved account where it will be used at the discretion of the HSEQ Committee to promote and improve safety in the Copperbelt Province.
- g) Fourth and fifth offences will, besides resulting in a fine, also result in further action being taken to prevent a recurrence. Where there is no agreement as to what the appropriate action should be, the case will be referred to the next highest level of authority at MCM.
- h) The progress on the action agreed to between the contractor and MCM in terms of Offences 4 and 5 (Table 1) will be monitored by the responsible department in conjunction with the HSE Department.


































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- i) The Contracts Superintendent will be responsible to inform the contractor principal in writing of each transgression for which they are penalised.

5. HEALTH, SAFETY AND ENVIRONMENT

5.1 HEALTH AND SAFETY REQUIREMENTS

PPE Requirements (Place a tick below the appropriate PPE required) ■						
	Goggles	Respirator	Hard Hat	Gloves	Vest/ Apron	Safety Belt
						
	Ear Muffs/Plug s	Safety Boots	Face Shield	Welding Hood	Gum Boots	Overall s
RELATED FATAL AND HAZARD PROTOCOLS ■						
	Energy Isolation	Working at Height	Confine d Spaces	Mobile Equip.	Ground/ Strata Failure	Electrical Safety
						
	Emergenc y Response	Lifting and Cranag e	Fire and Explosi on	Explosiv es and Shotfirin g	Tyre and Rim Management	Inrus h
LIFE SAVING BEHAVIOURS ■						
	Always Come to Work Drug and Alcohol Free	Always use or Wear Critical Safety Equipment	Always Wear appropriate Fall Protection Equipment When Working above 2m	Only Operate Equipmen t if Trained and Authorise d	Isolate and Test for Dead Prior to Working on Energy Source	
						
	Never Modify to Override Critical Safety Equip without Approval	Always Seek and Obtain Clear Approval Before Entering Mobile Equipment Operating Zone	Never Enter Danger Zones	Report Injuries and High Potential Risk Incidents		

5.2 ENVIRONMENTAL REQUIREMENTS

The contractor must comply with the relevant environmental laws, Procedures, orders, regulations and site internal regulations.

6. QUALITY

None

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7. FLOWCHART

None

8. DEFINITIONS AND ABBREVIATIONS

TERM	DESCRIPTION
HSEQ	Health, Safety, Environment and Quality

9. REFERENCES

REFERENCE	AUTHOR	TITLE

10. APPENDICES

None

10.1 APPENDIX 1

None

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