

CONTRACT OF EMPLOYMENT

(BCEA)

BETWEEN:

NAME OF EMPLOYER: KAREEVLEI MINING (PTY) LTD

ADDRESS: REMAINDER PORTION 1&2 OF
FARM 113 AND PORTION OF
PORTION 2 OF FARM 142
KOOPMANSFONTEIN
8391

(Herein after referred to as "THE EMPLOYER")

and

NAME OF EMPLOYEE: Augustine Simbanegavi

ADDRESS: 55 Peacanwood Drive, Peacanwood Gholf Estate
Hartbeespoort Dam

ID NO: 740628 6079 183

OCCUPATION: Chief Executive Officer

(Herein after referred to as "THE EMPLOYEE")

The parties hereby agree that the Employee will be employed subject to the following conditions:

1. **COMMENCEMENT DATE**

1.1. **Permanent Appointment**

This contract commences on the date of signature by both parties and shall remain valid for an undetermined period until the contract is terminated.

1.2 The termination of this contract due to the expiry of the above period or finalisation of the project shall not be construed as termination or dismissal on grounds of operational requirements.

1.3 The employer reserves the right to prematurely terminate this contract in accordance with the notice periods set out in clause 16 and the statutory procedures in the case of conduct, incapacity, or the employer's operational requirements.

1.4 **Probation period**

The employee is appointed for a probation period of three months. The employer shall be entitled to terminate this contract prior to the expiring of the probation period, due to the employee's misconduct, incapacity or due to operational reasons. The employer undertakes to follow all relevant procedures and guidelines as set out in the schedules to the Labour Relations Act, 1995, as amended.

1.4.1 It is specifically a Condition of Employment that before an employee is appointed in a permanent contract he/she must undergo a polygraph test and must not fail such a test. Referred to in paragraph 18.5 below.

2 **VALIDITY OF CONTRACT**

2.1 This contract is subject to the Basic Conditions of Employment Act, 1997 ("The Act"), as amended.

2.2 Should any term of this contract be in conflict with any existing or future Law, Sectoral Determination or Collective Agreement, such Law, Determination or Agreement, shall be binding in respect of the said provision only and all other terms of this contract shall remain valid and binding upon the parties.

2.3 No indulgence or condonation by the employer of any breach of any term of this contract by the employee shall constitute a waiver of any of the employer's rights in terms of this agreement and no amendment of this contract shall be valid unless reduced to writing and signed by both parties.

3 **APPOINTMENT AND JOB DESCRIPTION**

- 3.1 The employee is appointed as: Chief Executive Officer to render services generally associated with this position.
- 3.2 The employee will report to the CEO and board of BlueRock Diamonds PLC
- 3.3 The employee is required to prepare budgets regarding monthly spending and capital expenditure and only on approval of the board of BlueRock Diamonds PLC will be authorised to act on those budgets and capital expenditure amounts.
- 3.4 Any legal issues of a material nature are to be reported to the Board of BlueRock Diamonds immediately.

4 **PLACE OF WORK**

The employee will work at the following address **REMAINDER PORTION 1&2 OF FARM 113 AND PORTION OF PORTION 2 OF FARM 142 KOOPMANSFONTEIN 8391 AND THE OFFICES WHICH ARE SITUATED AT WESSELTON VILLAGE, OFF BOSHOFF ROAD, KIMBERLEY 8300**

- 4.1 or any other place(s) as the employer may from time to time direct.
- 4.2 The employee is personally responsible for arriving at the place of work on time. Should the employer provide transport to and from the workplace, such transport is not a condition of service and may be varied by the employer. The time in transit will not be deemed to be working hours or to be time on duty.

5 **HOURS OF WORK AND OVERTIME**

- 5.1 The employee will work 45 (forty five) hours per week or as required to carry out his duties as Chief Executive Officer.
- 5.2 The employee hereby agrees that the employer may average the employee's ordinary hours of work and overtime over a period of up to 4 (four) months, subject to the maximum average of 45 (forty five) ordinary hours and 5 (five) hours overtime per week, over the agreed period.
- 5.3 Employees may be expected to work overtime without payment, provided that this does not constitute forced labour. This is because the remuneration package already makes provision for overtime and also because the Act excludes him from the required payment for overtime and Sundays.

6 PUBLIC HOLIDAYS

6.1 The employee shall be entitled to the following paid public holidays:

New Year's Day, Human Rights Day, Good Friday, Family Day, Freedom Day, Worker's Day, Youth Day, National Women's Day, Heritage Day, Day of Reconciliation, Christmas Day, Day of Goodwill or any other day so declared in terms of the Public Holiday Act.

7 REMUNERATION

7.1 The employer shall pay the employee R 180 000 gross **per month**.

7.2 The employee's remuneration will be **paid monthly** on or about the **last day** of the pay cycle.

7.3 Should the employee be demoted as a result of disciplinary action, the employee's wages will be adjusted accordingly, in order to correspond with the position he/she is demoted to.

7.4 The employee hereby authorises the employer to deduct from the employee's wages, all statutory deductions as well as all amounts due to the employer for goods bought, money borrowed, clothing, medical benefits and saving schemes.

7.5 The employer and employee hereby agree that the employer shall, under the following circumstances, be entitled to withhold an amount of salary/wage/leave pay or any money which is due by the employer to the employee, equal to the period of notice he/she was supposed to have served:

7.5.1 Should the employee fail to give sufficient notice of termination of service in terms clause 16 of this agreement or the Act; or

7.5.2 Should the employee give sufficient notice but fail to work the notice, and the employer did not waive the notice or part thereof in writing.

7.6 Should the employee cause any damage or loss, other than that referred to in clause 23 below, to the employer due to negligence or wilfulness, the employer may deduct such damage or loss from the employee's wage / salary, provided that such deduction may not exceed 25% (twenty five) of the employee's wage / salary at a time, and only after an inquiry into the circumstances of the incident was held.

7.7 The employee shall not be remunerated for any period of unauthorised absence, including industrial action or during a protected lockout. The principle of no work no pay, shall apply.

8 BONUSSES

The payment of an annual or production bonus **is not a condition of employment** but shall be subject to the sole discretion of the employer.

ANNUAL LEAVE

- 9.1 The employee shall be entitled to 21 (twenty one) consecutive days paid leave per year, including weekends but excluding public holidays, in respect of each period of 12 (twelve) months completed in the service of the employer.
- 9.2 Alternatively, at the discretion of the employer, the annual leave can be calculated at the rate of 1 (one) day of paid leave for every 16 (sixteen) days the employee had worked, or was entitled to be paid.
- 9.3 The annual leave shall be reduced by the number of days of occasional leave on full remuneration granted to the employee at the employee's request.
- 9.4 Any request for annual leave will be submitted to the employer in writing and in turn be granted or refused in writing. The leave shall be granted and be taken at a time to be fixed by the employer, in consideration of the operational requirements of the business, and shall commence within 6 (six) months of commencing work.
- 9.5 The employee hereby acknowledges and agrees that he/she shall only be entitled to accrue annual leave during his/her **current and immediate preceding leave cycle**. Any annual leave entitlement accrued during the course of any leave cycle, other than the leave cycles mentioned above, and not taken by the employee within the period of 6 (six) months following such leave cycle, as referred to in clause 13.4 above, on request by the employer shall be forfeited, unless the failure to take such leave by the employee was due to the employer's refusal to grant such leave, due to exceptional operational requirements.
- 9.6 The employee is obliged to take leave during any period of **closure of business**.
- 9.7 Upon termination of employment, the employee will only be entitled to payment of any accrued leave, as referred to in clause 12.5 above, not yet taken prior to the termination of employment. This provision will only apply in the event of the employee being in the service of the employer for 4(four) months or longer.
- 9.8 The employee and employer agree that the employee's remuneration for the period he/she will be on leave, shall be paid on the employees' regular pay day.

SICK LEAVE

- 10.1 During each sick leave cycle of 36 (thirty-six) months' employment with the employer, the employee shall be entitled to an amount of paid sick leave equal to the number of days the employee would normally work during a period of 6 (six) weeks.
- 10.2 During the first 6 (six) months of employment, the employee shall be entitled to 1 (one) day's paid sick leave for every 26 (twenty-six) days worked.
- 10.3 The employee agrees that the employer may reduce his/her sick pay and proportionately increase his/her number of days of sick leave, in accordance with the Act, subject thereto that the employee's entitlement to pay for any days sick leave shall be not less than 75% (seventy five percent) of the employee's ordinary daily wage and the number of days of sick leave shall not be less than the employee's entitlement in terms of clause 13.1 above.

- 10.4 The employee shall not be entitled to paid sick leave, where he/she is absent:
- 10.4.1 For more than 2 (two) consecutive days, or
 - 10.4.2 On more than 2 (two) occasions during an 8 (eight) week period, unless he/she produces a signed medical certificate.
- 10.5 Should the employer have reasonable grounds to suspect that the employee is abusing paid sick leave, the employer may also insist that the employee produce a signed medical certificate, where he/she is absent on any working day which precedes or follows a weekend, public holiday or day free from service, in order to ensure his/her entitlement to paid sick leave.
- 10.6 The medical certificate referred to above, must be signed by a **registered medical practitioner** and should only be based on a personal examination. The medical certificate should also state that the employee was unable to work, for the duration of his/her absence, on account of illness or injury. The employer retains the right to expect the employee to subject himself/herself to an examination in order to obtain a second medical opinion regarding his/her alleged illness/injury.
- 10.7 The employee must personally inform the employer/supervisor, **per phone call before 07H00** on the day he/she was supposed to have reported for duty, of such absence and expected date of returning to work. The employer must also be informed of an address where the employee could be found should he/she wish to visit the employee.

11 **FAMILY RESPONSIBILITY LEAVE**

- 11.1 The employee will only be entitled to family responsibility leave after 4 (four) months of service with the employer and if he/she works for at least 4 (four) days a week for the employer.
- 11.2 The employee shall be entitled to 3 (three) days paid leave during each cycle of 12 (twelve) months of employment with the employer. This will be granted only for the birth or illness of a child or in the event of the death of the employee's spouse, life partner, parent, adoptive parents, grandparents, child, adopted child, grandchild or sibling.
- 11.3 The employee shall notify the employer of the event, which necessitates the employee's absence, as soon as possible.
- 11.4 The employee shall not be entitled to payment for the absence unless the employee furnishes the employer with proof of the circumstances necessitating the absence.
- 11.5 Unused family responsibility leave will lapse at the end of each cycle of 12 (twelve) months' service.
- 11.6 In accordance with the Ministerial Determination 1: Small Business Sector (5 November 1999), Family responsibility leave will form part of the employee's annual leave, should the employer employ less than 10 (ten) permanent workers.

12 **TERMINATION OF CONTRACT**

If the employee intends to terminate this contract, he/she shall give the employer notice in writing. If the employer intends to terminate this contract, he/she shall follow the prescribed and applicable procedures prior to terminating the agreement and shall then give the employee notice in writing. The following notice periods, as the case may be, will apply to both parties to this agreement:

12.1 Three months notice

12.2 The periods of notice set out above, shall not be applicable:

12.2.1 In the case of summary dismissal in the event of disciplinary procedure.

12.2.2 In the case of desertion or unauthorised absence for more than 5 (five) working days.

12.2.3 In the case of a fixed term contract, with a fixed expiry date as referred to in clause 1.1 above.

12.3 The employer shall have the right to pay the employee in lieu of notice.

12.4 The employer and employee hereby agree that the employer shall, under the following circumstances, be entitled to withhold an amount of salary/wage/leave pay or any money which is due by the employer to the employee, equal to the period of notice he/she was supposed to have served:

12.4.1 Should the employee fail to give sufficient notice of termination of service in terms clause 17 of this agreement or the Act; or

12.4.2 Should the employee give sufficient notice but fail to work the notice, and the employer did not waive the notice or part thereof in writing.

12.5 An employee may upon reaching the age of **55 (fifty five)**, give notice to the employer of his intention to retire but will be obliged to retire upon reaching the age of **60 (sixty)**, upon which this contract will automatically expire. In the event of the employee being appointed after reaching the above mentioned retirement age, the employer may terminate the employment at any stage, based on retirement.

13 **DISCIPLINARY PROCEDURE**

13.1 **Undertaking:**

Both parties agree that strict adherence to this procedure will ensure that discipline be maintained and that the employee is treated fairly.

14 **DISMISSAL FOR INCAPACITY**

Should the employee be or become incapable of performing his/her duties as expected due to ill health or injury or because of poor work performance, the employer shall follow the guidelines set out in Schedule 8 of the Labour Relations Act, 1995.

15 **RETRENCHMENT**

- 15.1 The employer shall have the right to terminate this contract for reasons based on economic, technological, structural or other similar needs.
- 15.2 Should the employer contemplate the termination of this contract for these reasons, the employer shall follow the guidelines contained in Section 189 of the Labour Relations Act, 1995. The employee takes note that in the event of him/her being affected by retrenchments, the employer may apply selection criteria based on his/her disciplinary record, absenteeism, skills and performance.
- 15.3 Should the employee's services be terminated as a result of these reasons, and unless the provisions of Section 41(4) of the Act apply, the employee shall be paid severance pay equal to one week's remuneration for each completed year of service with the employer.

16 **DESERTION**

An employee shall be regarded as having deserted from his employer's service after a continuous absence of 5 (five) working days without notification to his employer of his whereabouts, provided that:

- 16.1 the employer shall attempt to contact the employee in writing at the last-known address, supplied by the employee, informing the employee of his/her unauthorised absence and of the intention to hold a disciplinary hearing at the work place;
- 16.2 the employee shall be given a fair opportunity to state a case in response upon his/her arrival;
- 16.3 after the aforementioned 5 (five) days has lapsed, a notice of desertion to submit reasons for absence and a notice for a disciplinary hearing will be served on the employee by registered mail, to his/her last-known postal address, or such notice will be handed to the employee personally. In the event of the employee receiving proper notice, as above, and fails to attend the hearing and/or fails to submit acceptable reasons for his/her absence, the hearing will proceed in the absence of the employee, and he/she will be deemed to have deserted and his/her services may be terminated. The employer will serve a notice on the employee as prescribed above, which will serve as notification that his/her services have been terminated.
- 16.4 the employee shall be allowed a period of one month to lodge with his employer a written appeal against his dismissal.

17 **GRIEVANCE PROCEDURE**

The employee shall lodge any grievance with the employee's immediate supervisor. Should the supervisor not be able to solve the problem to the satisfaction of the employee, it will be referred to the employer whose decision on the matter will be final. The employer will have 14 (fourteen) days to resolve the grievance. The employee will only resort to an external dispute resolution mechanism if the employer has failed to resolve the grievance. Annexure "G" of this agreement is to be used for grievance purposes in terms of this clause.

18 **CLOTHING EQUIPMENT AND TOOLS**

- 18.1 Should the employer issue the employee with any clothing, equipment or tools for the purpose of the employee's work, such items shall at all times remain the property of the employer. The employee shall be responsible for the safe custody, maintenance and cleaning thereof and shall return such items in good condition, given fair wear and tear, on the employers' request. If the employee fails or refuses to return it, he/she authorises the employer to withhold such reasonable amount, representing the value thereof, from any monies due to the employee.
- 18.2 Should the employee damage or lose any property of the employer due to negligence or wilfulness, the employer may deduct such damage or loss from the employee's wage / salary, providing that such deduction may not exceed 25% (twenty five) of the employee's wage / salary at a time, and only after an inquiry into the circumstances of the incident was held.

19 **LOSS CONTROL**

- 19.1 The employee undertakes to act honestly and with integrity at all times, and to protect the employers' property. He/she accepts the obligation to report to the employer any irregularities, dishonesty or any other conduct of any co-employee or person, constituting misconduct, he/she is or become aware of, without delay
- 19.2 The employee hereby consents to his/her person, property and/or vehicle being searched by the employer or his/her nominated representative, provided that female employees shall be searched by female persons and male employees by male persons.
- 19.3 The employee acknowledges and associates him/herself with the fact that close circuit television and other camera surveillance equipment will be used in the workplace to monitor and control theft and other losses. The employee also agrees that visual material obtained in this fashion could be used as exhibits.

20 **CONFIDENTIALITY**

The employee shall refrain from disclosing any confidential information to any third party or entity during the operation of this agreement or after its termination, unless the employer specifically agrees. Breach of this clause may lead to disciplinary action against the employee.

21 **CONFLICT OF INTEREST**

The employee will refrain from any conflict of interests with the employer and will not engage him/herself in any business/undertaking or activity or commit any action, whilst employed by the employer, which directly or indirectly is or may be to the detriment of the employers' business, and which causes a conflict of interest, unless the employer consents in writing.

22 **SAFETY MEASURES**

The employee will strictly adhere to all safety measures announced from time to time by the employer. Non-compliance will be considered to be serious misconduct, and the employer is hereby indemnified by the employee towards any liability resulting from an injury or illness as a result of non-compliance with safety measures.

23 EMPLOYEE COMMUNICATION

23.1 The employee is not entitled to use business equipment, *inter alia*, telephones, cell phones, fax machines and computers, for private purposes without the employer's prior permission, unless in an emergency or a policy to the contrary exists.

23.2 The employer reserves the right to access, monitor, read, filter, block, delete, use and act on any incoming or outgoing email messages, sent or received by the employee, attachments to such emails, hyperlinks in such email messages or attachments, websites visited by the employee and files or records saved automatically, or by the employee, on the employer's equipment.

24 TRAINING

SOP Policy will apply.

25 GENERAL

All rules and policies announced from time to time by the employer will form an integral part of this agreement. The employee must notify the employer in writing, within 7 (seven) days, of any change of his / her address.

SIGNED AT _____ ON THIS ____ DAY OF _____ 2019.

EMPLOYER

WITNESSES:

1. _____

2. _____

EMPLOYEE