

FROM ANGLO AMERICAN SUPPLY CHAIN

Dear Valued Supplier

Following President Cyril Ramaphosa's announcement of a nationwide lockdown resulting from the Covid-19 pandemic, businesses across South Africa have been greatly impacted. Anglo American recognises that the lockdown situation has created challenging circumstances for businesses and for many of our suppliers and contractors this has resulted in cashflow challenges and a reduction in income. We are committed to working with our suppliers to ensure that, whilst strictly complying with the applicable regulations, we are able to continue to drive economic activity across South Africa through the ongoing appointment of Essential Service Providers.

As a partner to many local entrepreneurs, small, medium and micro-enterprises (SMMEs) we want to ensure that you have access to and visibility of the many funding and financial relief resources that are available to you. This includes publicly available information and resources.

We encourage all suppliers to reach out to the various COVID-19 crisis funding support options offered by the South African government, Anglo American Zimele, private trusts and banking institutions.

Where additional support is needed active trade suppliers can get in contact with our Supply Chain representatives who will engage with you to better understand your specific circumstances and determine how best we can work together to mitigate the adverse impact of the COVID-19 on your business. You can also visit our website at <https://www.angloamerican.com/suppliers> for more information.

Sincerely

Anglo American Supply Chain

STAY UP TO DATE

Business South Africa (BSA) has set up a WhatsApp information board offering an up-to-date list of interventions for SMMEs.

Save **087 250 2674** in your contacts. Open a new chat in WhatsApp and type **"Hi"**. **BSA will reply with a list of options and information available.**

For more information on Government Guidelines and Relief visit <https://sacoronavirus.co.za/guidelines-and-relief/>

ZIMELE RELIEF MECHANISMS



Payment holiday on SMME loans:

From the end of April to the end of June 2020, Zimele will not charge interest on outstanding loan balances and will lift the obligation to repay loans. Zimele processes will be adjusted in collaboration with our banking partner, Absa, and the Anglo American legal team.



Government initiatives:

Zimele will communicate with SMMEs to outline government relief programmes. This will be an ongoing process, as programme rules become clearer and new programmes are developed. We will share important links and support SMMEs during the application process.



Support & Collaboration – Anglo American & Business Unit Supply Chain/Zimele:

Zimele will continue to work closely with Anglo American's Supply Chain and respective Business Unit's to ensure adequate support on SMME's contracts and inclusive procurement.



Online mentorship:

Zimele entrepreneurs will continue to receive online mentorship, even as we adapt the programme during these unprecedented times.

For more information on Zimele visit <https://southafrica.angloamerican.com/our-difference/zimele>

RELIEF FOR ESSENTIAL SERVICE PROVIDERS

SME GROWTH AND RESILIENCE FUND

- Working capital (only direct costs), stock, bridging finance, purchase order finance and capital equipment finance for SMMEs that locally manufacture or supply items that are in demand because of the pandemic.
- Loan facilities provided at prime -5% per annum.
- Priority will be given to businesses owned by women, youths and people with disabilities.
- For more information and to apply, visit www.smmesa.gov.za.

IDC COVID-19 ESSENTIAL SUPPLIES INTERVENTION

- Soft loans are available for companies for the acquisition and/or the manufacturing of essential supplies on an urgent basis to combat the COVID-19 pandemic.
- Short-term (three-month) loans are available for one-off contract or import funding.
- To qualify, companies must have contract orders in place or proof of demand.
- More information is available at www.idc.co.za.

NATIONAL EMPOWERMENT FUND (NEF) COVID-19 FUND

- This fund provides funding for working capital, machinery and equipment to manufacture and supply a range of medical products.
- A R500,000 to R10 million concessionary loan is available to black-owned businesses with existing retail supplier relationships.
- Repayment is over up to 60 months; 0% interest is charged in the first year.
- Apply at www.nefcorp.co.za.



small business development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



Industrial Development Corporation



NATIONAL EMPOWERMENT FUND

Growing Black Economic Participation

UIF COVID-19 TEMPORARY RELIEF BENEFIT

- Temporary UIF relief fund for businesses in distress directly owing to COVID-19. Claims for three months or less.
- You need to be up to date with all UIF payments. The employee will be paid in terms of the income replacement rate sliding scale (38%-60%) as provided in the UI Act, with a maximum of R17,712 per month.
- Businesses to apply on behalf of employees.
- Email your application and documents to covid19ters@labour.gov.za.
- Businesses who are not registered with UIF, can still do so, but are required to pay a penalty fee of 1% of their payroll.

SOUTH AFRICAN FUTURE TRUST (SAFT)

- Subject to a total loan funding limit of R1 billion and on a first-come, first-served basis, the SAFT may provide salary support for qualifying SMMEs. The qualifying criteria include that the SMME needs to bank with one of SAFT's banking partners (Absa, First National Bank, Investec, Mercantile Bank, Nedbank or Standard Bank), must have an annual turnover of less than R25 million, must have been sustainable on 29 February 2020, and must have been trading for at least 24 months.
- The business must be under stress directly owing to the COVID-19 outbreak.
- The assistance takes the form of an interest-free loan to the business, repayable within a five-year term. The money is paid directly to employees from the banks. It is not a salary. It is intended to provide short-term relief to those who might otherwise become destitute.
- More information is available at <https://opp-gen.com/saft/>


OTHER RELIEF OPTIONS
MANY GOVERNMENT DEPARTMENTS ARE PROVIDING SECTOR-SPECIFIC FUNDING.

- Hospitality and tourism: R200 million fund for tourism and hospitality sector businesses with an annual turnover of less than R2.5 million. Preference will be given to applicants in rural areas, townships, women, the youth and people with disabilities. Please visit www.tourism.gov.za.
- Sport, arts and culture: R150 million fund for cancelled events, digital solutions and a wide array of projects. More details and applications are available at www.dac.gov.za.
- Agriculture: R1.2 billion fund for agricultural support and relief. For more information, please visit www.daff.gov.za.

SME DEBT RELIEF FUND

- The Department of Small Business Development will make R500m available to assist distressed small and medium enterprises. The Debt Relief Fund will provide assistance in servicing existing debts and repayments.
- Amounts will be based on business needs, with an interest rate of prime -5%.
- Preference will be given to applicants who women and youths.
- Register on www.smmesa.gov.za.

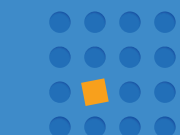
SUKUMA RELIEF FUND

- This relief is available for all industries, but businesses must provide evidence of financial viability before COVID-19 and must be tax and regulatory compliant.
- Registered close corporations, companies and trusts can access an unsecured interest-bearing loan of between R250,000 and R1 million, coupled with a non repayable grant of R25,000. The maximum loan term is 60 months. In the first year, there is no repayment obligations and no interest is charged. In the second year, repayments commence and interest starts being charged at the prime rate.
- Formal sole proprietors can access a non-repayable grant of R25,000. A formal sole proprietor is defined as an individual who is conducting a formal (tax-paying) business in their personal capacity, often employing more than two individuals. The business is registered with the relevant authorities in terms of a business license and tax.
- Applications can only be made online.
- Apply at <https://finance.businesspartners.co.za/welcome-to-thesukuma-relief-programme/>.



**small business
development**

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



BUSINESS/PARTNERS

OTHER RELIEF OPTIONS (continued)

IDC WORKING CAPITAL SUPPORT

- Provision of short-term working capital for the mining and minerals, agriculture and agro-processing, and automotive sectors.
- More information is available at www.idc.co.za.



SPAZA SHOP SUPPORT SCHEME

Information

Participants qualify for bulk buying discounts from pre-selected wholesalers as well as access to basic business tools, including speed point terminals. They will also get business support, including bookkeeping assistance.

Requirements

- The spaza shops must register with the SA Revenue Service (SARS), the Unemployment Insurance Fund (UIF) and the Companies and Intellectual Property Commission (CIPC). This does not mean that spaza shops will necessarily start paying tax, but they need to be legally registered to qualify.
- The spaza shops must be owner-managed and must have a bank account.
- Spaza shops must be willing to buy products produced by South African small businesses as part of the bulk-buying schemes.
- They must be willing to submit monthly management accounts for at least 12 months.
- The shops must comply with sanitation requirements, including that their counters are disinfected.
- They must hold a permit to trade from the local municipality. If they do not yet have these permits, the South African Local Government Association (SALGA) has agreed to help with permits during the lockdown.

Other information

Foreign-owned spaza shops may apply for financial help under this scheme, but locally-owned businesses will receive preference and some forms of assistance, such as low-interest-rate loans, may be limited to businesses owned by South Africans. For more information visit <http://www.fundingthelockdown.live/home.html#Relief>

TAX RELIEF



Businesses with a turnover of less than R50 million will be allowed to delay 20% of their pay-as-you earn (PAYE) liabilities over the next four months.



For the IRP601 return (first provisional tax return of 2020/2021), you will be required to pay only 15% of your total estimated provisional tax.



All businesses, regardless of size, can apply for extended and increased employment tax incentive (ETI) claims. ETI payouts will be made monthly.



Employees who earn R6,500 or less will receive a tax subsidy of R500 per month over the next four months.



More details on VAT relief on essential goods and imports are available at www.sars.gov.za.