MEMORANDUM

To: All Foskor Contractors

From: Procurement Office

Date: 16 February 2026

Local Business Opportunities Empowerment

Subject: Encouraging Preferential Utilisation of Ba-Phalaborwa Local Businesses for Subcontracting and Supply Opportunities

1. Purpose of this Memorandum

The purpose of this memorandum is to formally communicate Foskor's intent to promote inclusive local economic participation within the Ba-Phalaborwa region by encouraging all major contractors to prioritise local Ba Phalaborwa businesses for subcontracting, services, and downstream supply requirements where feasible.

This initiative supports Foskor's commitment to contributing positively to the socio economic development of the communities in which we operate.

2. Expectation of Contractors

Foskor encourages all contractors to:

Afford first consideration to competent Ba Phalaborwa based businesses when identifying subcontractors or suppliers for goods and services required under your contract with Foskor.

Actively engage with the local supplier market to identify viable opportunities for collaboration and development.

Demonstrate fair and transparent selection practices when assessing local businesses for suitability.

Prioritise local procurement where it is commercially, technically, and legally feasible to do so.

Please note that this is not a mandatory set aside or quota-based requirement, but rather an initiative to strengthen local participation and upliftment in the host community.

3. Responsibility and Accountability

While Foskor encourages the utilisation of local businesses, it is important to clarify the following:

The sole responsibility for identifying, vetting, selecting, and managing subcontractors and suppliers remains with the contractor.

Contractors must ensure that all selected businesses are competent, properly resourced, compliant with applicable legislation, and capable of delivering the required scope of work or goods.

DIRECTORS: Mr RM Godsell (Chairman), Mr JT Palliam (President & CEO), Ms JM Speckman (CFO), Ms MA Hermanus, Mr DP Martin, Mr SP Ngwenya, Mr NG Nika, Mr SS Subramanian (India), Ms MJ Vuso, Ms NP Zulu, Ms AUS Khanyile (Company Secretary)

Foskor does not assume liability for the performance, quality, compliance, or conduct of subcontractors appointed by contractors.

Contractors must continue to meet their contractual obligations to Foskor regardless of their subcontractor or supplier arrangements.

4. Reporting and Monitoring

To support this initiative, Foskor may request contractors to:

Provide information on local procurement efforts, including opportunities afforded to Ba Phalaborwa suppliers.

Share challenges encountered in identifying qualified local businesses so Foskor may explore support mechanisms where appropriate.

This reporting is intended to track progress and identify development opportunities, not to impose penalties or contractual conditions.

5. Conclusion

Foskor appreciates your commitment to supporting the socio economic development of the Ba Phalaborwa community. By working collaboratively, we can collectively contribute to sustainable local empowerment while maintaining high standards of operational performance and compliance.

Should you require further clarity or support in relation to this initiative, please contact the Procurement Division.

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Regards,

Shantell Mackay

GM: Procurement