### Appendix I: Incentives Given to the Various Mining Companies in their Respective Development Agreements

<table>
<thead>
<tr>
<th>Name of Company / Year of Agreement</th>
<th>Corporate Tax Rate</th>
<th>Provision for Carry-Over Losses</th>
<th>Customs Duty Exemption</th>
<th>VAT Refund</th>
<th>FCR on Dividends</th>
<th>Withholding Tax Rate</th>
<th>Foreign Currency Foreign Earned Dividend Exempt</th>
<th>Royalty</th>
<th>Foreign Currency Royalty</th>
<th>Investment Incentive</th>
<th>Name of Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Konkola Copper Mines 2000</td>
<td>25%</td>
<td>Can Carry forward losses</td>
<td>Exempt (Excise duty on power (0%))</td>
<td>Refund on Net input VAT (0%)</td>
<td>100%</td>
<td>0%</td>
<td>35%</td>
<td>100%</td>
<td>0%</td>
<td>20%</td>
<td>Konkola Copper Mines 2000</td>
</tr>
<tr>
<td>Mopani Copper Mines 1998 (NFC)</td>
<td>0.6</td>
<td>As above including no customs duties on personal effects</td>
<td>Refund on Net input VAT (0%)</td>
<td>100%</td>
<td>15 years</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td>20 years</td>
<td>Mopani Copper Mines 1998 (NFC)</td>
</tr>
<tr>
<td>Chambishi Metals 1998</td>
<td>2.0</td>
<td>Can Carry forward losses</td>
<td>Exempt (Excise duty on power (10%))</td>
<td>Refund on Net input VAT (0%)</td>
<td>100%</td>
<td>0%</td>
<td>35%</td>
<td>100%</td>
<td>0%</td>
<td>15 years</td>
<td>Chambishi Metals 1998</td>
</tr>
</tbody>
</table>

* The NFCA Development Agreement states that the company will pay royalties at the rate prevailing at the time the company is paid by most other mining companies, but this is not further clarified. But might imply the company has no concession in this area and pays at the rate in the Mining Act: 3% or at the rate paid by most other mining companies in the respective Development Agreements.

* Source: Various Development Agreements
Appendix 2

Total Capital Investment in US$ millions, in the Zambian Mining Industry, 1990-2005

Source: Chamber of Mines 2006
Appendix 3

Zambian copper production (MTs), 1990-2005

Source: Chamber of Mines 2006
Appendix 4

Appendix 5

Comparison of Highest and Lowest Wages of MUZ unionised workers with Food Basket and Basic Needs Basket at Chambishi Mines under the ownership of NFC-Africa 2000-2006

Monthly Salary of the Highest and Lowest paid MUZ unionised workers in Zambian copper mines, Jan 1 2006

Source: Collective Agreements accessed in the MUZ information and research centre
Appendix 6 Contractors Wages

Comparison of wages paid to MUZ unionized workers employed in similar roles directly by a mining company (MCM) and by a contractor (Pro-Sec) in 2004

Comparison of wages paid to MUZ unionised workers employed in similar roles directly by a mining company (MCM) and by a contractor (Mpelembe) in 2005

Source: Collective Agreements accessed in the MUZ information and research centre
### Appendix 7  Zambia: Sectoral Contribution to GDP 1998 to 2003

<table>
<thead>
<tr>
<th>Sector</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>18.7</td>
<td>21.6</td>
<td>19.9</td>
<td>19.7</td>
<td>20.0</td>
<td>20.8</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>6.3</td>
<td>3.8</td>
<td>4.1</td>
<td>4.0</td>
<td>3.5</td>
<td>2.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>11.5</td>
<td>10.8</td>
<td>10.2</td>
<td>9.8</td>
<td>10.4</td>
<td>10.9</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>9.1</td>
<td>9.0</td>
<td>9.8</td>
<td>9.4</td>
<td>9.2</td>
<td>9.1</td>
</tr>
<tr>
<td>Tourism</td>
<td>2.2</td>
<td>1.9</td>
<td>2.1</td>
<td>2.4</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>47.8</td>
<td>47.7</td>
<td>46.1</td>
<td>45.3</td>
<td>45.6</td>
<td>46.2</td>
</tr>
</tbody>
</table>

Appendix 8

Corporate Tax Revenues 2003.

<table>
<thead>
<tr>
<th>Sector</th>
<th>K'Millions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>51,355</td>
<td>20.9</td>
</tr>
<tr>
<td>Telecoms</td>
<td>29,187</td>
<td>11.9</td>
</tr>
<tr>
<td>Mining</td>
<td>29,612</td>
<td>11.6</td>
</tr>
<tr>
<td>Other</td>
<td>136,460</td>
<td>55.6</td>
</tr>
<tr>
<td>Total</td>
<td>245,614</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Zambia Revenue Authority.

Net VAT Receipts by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Kwacha (Millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>11,764</td>
<td>3</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>44,722</td>
<td>11.4</td>
</tr>
<tr>
<td>Mining</td>
<td>(653,838)</td>
<td>-166.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>70,067</td>
<td>17.8</td>
</tr>
<tr>
<td>Tourism</td>
<td>(400)</td>
<td>-0.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>(27,394)</td>
<td>-7.0</td>
</tr>
<tr>
<td>Other</td>
<td>947,750</td>
<td>241.4</td>
</tr>
<tr>
<td>Total</td>
<td>393,671</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Foreign Investment Advisory Service, Zambia: Sectoral Study Of The Effective Tax Burden, a joint service of the International Finance Corporation and The World Bank, December 2004

Contribution of Mining to the GRZ Treasury

Source: Chamber of Mines, The Zambian Mining Industry Post-Privatisation, Unpublished, Presentation given by Chairman of the Chamber to the IMF Visiting Mission to Zambia, October 2006
Appendix 9

Types of Taxes as a Percentage of GDP, 1990-2004

Source: Weeks and McKinley, 2005, Page 15
Appendix 10

Source: London Metal Exchange/International Copper Studies Group
104 Lungu and Mulenga, 2005
105 Lungu and Mulenga, 2005, p. 71
106 Interview with Derek Webbstock
107 Lungu and Mulenga, 2005, p. 83
108 GOZ / Mopani Copper Mines Plc, 2000, Clauses 9.3, p. 26
109 Interview with Tim Henderson
110 World Health Organisation, Summary Country Profile For HIV/AIDS Treatment Scale-Up, December 2005
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112 Mopani Copper Mines Plc HIV/AIDS Policy Booklet, p. 7
113 Mopani Copper Mines Plc HIV/AIDS Policy Booklet, p. 12
114 Interview with Isaac Mumba, HIV-AIDS Policies Co-ordinator, CHEP, Kitwe, October 10 2006
115 Interview with Tim Henderson
116 Interview with Isaac Mumba
117 Interview with Deb Bandyopadhyay
118 Based on an interview with Isaac Mumba, HIV-AIDS Policies Co-ordinator, CHEP, Kitwe, October 10 2006
120 The lowest level of the JCTR Basic Needs basket in 2005, the year in which the report was compiled, was K1,331,920. At MCM the lowest wage for an underground worker in 2005 was K1,460,966. At KCM it was K1,315,418.
121 NFCA Development Agreement, 1998, p.14
122 Mutale et al, p. xi
123 NFCA Development Agreement, 1998, p. 18
124 Interview with Wigan F. Mumba, Human Resources Manager, NFC-Africa, Chambishi, October 12 2006
125 Interview with anonymous official, Mines Safety Department
126 Interview with Wigan F. Mumba
127 Mutale et al., p. vii
128 Minutes of the Eighth Negotiation Meeting for 2004 to 2005 Collective Agreement. 11th February 2005
129 Interview with Wigan F. Mumba
130 Interview with Lennard Nkhata
131 Mutale et al.
132 Levy Meets KCM boss, Sunday Post, Lusaka, November 19, 2006
134 Interview with Lennard Nkhata
135 Interview with Lennard Nkhata
136 Zambia: Sectoral study of the effective tax burden, December 2004, Foreign Investment and Advisory Service (FIAS), a joint service of the World Bank and IFC, p. 38
137 FIAS, 2004, p. ix
138 Gavin Heale, Interview with Tim Henderson, Chief Executive Officer, Passmore H Hamukoma, Chief Services Officer and Gavin Heale, Chief Financial Officer, Mopani Copper Mines, Kitwe, October 20 2006
139 Interview with Derek Webbstock
140 Interview with Reuben Mondoka, Former employee & MUZ Branch Chairman, Chibuluma Mines and Metorex, Kalulushi, October 29 2006
142 Interview with Deb Bandyopadhyay
143 Interview with Eddie Kapungulya, Chairman of the Chamber of Business, Kitwe, October 9 2006
144 Interview with Eddie Kapungulya
145 Interview with Eddie Kapungulya
146 Interview with Charles B Muchimba
147 Discussion with Alvinius Zambia representative, Kitwe, October 2006,
148 Source: World Bank, World Development Indicators
149 World Bank, World Development Indicators
150 World Bank, Zambia At A Glance, 2005
151 Saasa with Carlsson, p. 39
154 Shapi Shacinda, Zambia to spend $16.5 bn under development plan, Reuters, 24th July 2006
155 FNDP Faces Financing Gap of $1.5bn, The Post, Lusaka, May 05 2006
157 Weeks and McKinley, 2006
158 Zambia: Mining companies must pay, Mail & Guardian (South Africa), October 16, 2006
160 IMF, Baunsgaard, Thomas, A Primer on Mineral Taxation, IMF Working Paper WP/01/139
161 Interview with Lennard Nkhata
162 Interview with Deb Bandyopadhyay
163 Interview with Gavin Heale
164 Interview with Lennard Nkhata
165 Interview with Tim Henderson
166 Interview with Lennard Nkhata
167 Interview with Deb Bandyopadhyay
168 Interview with Deb Bandyopadhyay
169 Interview with Deb Bandyopadhyay
170 Interview with Lennard Nkhata
171 Interview with Tim Henderson
172 Interview with Deb Bandyopadhyay
173 Interview with Tim Henderson
174 Interview with Deb Bandyopadhyay
175 Interview with Gavin Heale
176 Interview with Gavin Heale
177 Interview with Lennard Nkhata
The following individuals were interviewed during the course of the research:

Anonymous official, Mines Safety Department, October 2006
Frederick Bantubonse, General Manager, Chamber of Mines of Zambia, Kitwe, October 9 2006
Peter Sinkamba, Executive Director, Citizens for a Better Environment, Kitwe, October 9 2006
Eddie Kapungula, Chairman, Chamber of Business, Kitwe, October 10 2006
Ian Mkandiwire, Deputy General Secretary, Zambian Congress of Trade Unions, Kitwe, October 10 2006
Father Misheck Kaunda, Catholic Commission for Justice, Development and Peace, Ndola, October 10 2006
Isaac Mumba, Former Health Officer, Chibuluma Mines and Metorex, currently HIV-AIDS Policies Co-ordinator, Copperbelt Health Education Programme, Kitwe, October 10 2006 and again October 20 2006
Lennard Nkhata, Permanent Secretary, Ministry of Mines and Mineral Development, Lusaka, October 12 2006
Wigan F Mumba, Manager Human Resources, NFC-Africa Mining Plc, Chambishi, Zambia, October 13 2006
Sylvester Kasonde, Manager Human Resources, Chambishi Metals, October 13 2006
Sikufele Mundia, President, NUMUAW, Kitwe, October 16 2006
Derek Webbstock, CEO, Luanshya Mining plc, October 16 2006
Dr Bishu Misra, Chief Mining Officer Technical, Luanshya Mining plc, October 16 2006
Deb Bandyopadhyay, Resident Director, Konkola Copper Mines, Chingola, October 18 2006
Tim Henderson, Chief Executive Officer, Passmore H Hamukoma, Chief Services Officer and Gavin Heale, Chief Financial Officer, Mopani Copper Mines, Kitwe, October 20 2006
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Reuben Mondoka, Former employee & MUZ Branch Chairman, Chibuluma Mines and Metorex, Kalulushi, October 29 2006

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Levy Meets KCM boss, Sunday Post, Lusaka, November 19 2006

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Zambia minister confirms 2.5% royalty lift, MiningMX, October 12 2006, http://www.miningmx.com/mining_fin/278977.htm

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