

STATEMENT ISSUED ON BEHALF OF:

**AngloGold Ashanti | Gold Fields | Rand Uranium | Harmony Gold
Evander Gold Mine | Sibanye Gold | Village Main Reef**

collectively representing the gold producers who are represented in wage negotiations
by the **CHAMBER OF MINES**

UPDATE: EMPLOYERS SEEK TO UNLOCK DISPUTES

Novel 'Gain Share' proposal on the table

Johannesburg, 13 August 2013: The gold producers (AngloGold Ashanti, Gold Fields, Rand Uranium, Harmony Gold, Evander Gold, Sibanye Gold, Village Main Reef), represented by the Chamber of Mines, have made a substantive move to unlock the wage dispute with unions (AMCU, NUM, Solidarity and UASA).

The employers have offered an increase in basic wages and living out allowance of 5.5%. At an entry level this increase translates into a guaranteed pay of R9,095 per month.

The employers have further tabled a novel 'Gain Share' proposal, comprising up to 1% increase of basic wages. (The exceptions are Harmony Gold, which is proposing a continuation of the 1% profit share agreement, and Rand Uranium, which has offered a 0.5% 'Gain Share'.)

Dr Elize Strydom, chief negotiator for the gold producers noted that this offer represents a significant departure in the traditional approach to employee compensation, where employees and industry are aligned in the common purpose of the company. The genesis of the 'Gain Share' approach arose in the success achieved in the settlement by Harmony Gold in 2011, which has seen employees' compensation positively affected by company performance.

It is envisaged that each of the companies will develop a 'Gain Share' proposal in line with the company's objectives and maturity, which may be gold price, profit, revenue, gold produced or cost-related. The underlying principle is that the metric could result in an additional 1% increase on basic wages across basic wages.

Dr Strydom notes that the employers continue to believe that an expeditious settlement is in the best interests of the industry, employees and their communities, and indeed for the country itself. Given the current state of the financial health of the industry, this move towards an inflation-related increase in basic

wages and living-out allowance is a bold step. Taking into consideration the unbudgeted increase granted in October 2012, the increase – at an entry level – for the year is edging towards 8.5%.

Queries:

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