

Statement issued on behalf of:

AngloGold Ashanti | Harmony | Sibanye
Evander Gold Mines | Village Main Reef

WAGE NEGOTIATIONS FOR THE GOLD INDUSTRY 2015

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

FOR IMMEDIATE RELEASE

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GOLD PRODUCERS RESPOND TO DISPUTED UNION FIGURES

Johannesburg, 8 July 2015: Gold producers AngloGold Ashanti, Harmony and Sibanye Gold have responded to the Association of Mineworkers and Construction Union (AMCU) regarding the boxes of union application forms presented to the three companies on Monday, 22 June 2015.

It was claimed that the boxes contained AMCU application submissions that had not been processed by the companies, and that has been uncovered through an independent audit. At the time of AMCU's submission of the application forms it was noted that these would be dealt with by the companies outside of the process of wage negotiations, but that every effort would be made to address the allegations as soon as practically possible.

In the presence of AMCU and company representatives each application form was numbered, and the boxes sealed prior to them being taken to the respective companies. The results of the verification have been agreed by an AMCU and company representative at the respective mining companies.

In summary, the audit revealed that 95% of the 6,510 submissions received are not currently valid for a variety of reasons (see below). In total, 308 additional membership applications submitted by AMCU were found to be valid and are being processed. These include a number of new applications that have not been previously submitted.

The following details from the audits have been agreed by the companies and representatives of AMCU:

AngloGold Ashanti

Copies of a total of 1,449 submissions were received from AMCU, dating back to 2012. A total of 7 submissions (0.05%) were found to be valid and the appropriate subscription amendments will be made.

The investigation was undertaken in two steps. In step 1, a total of 1,202 submissions (83%) were found to be invalid, while 247 submissions required further investigation.

Queries:

Dr Elize Strydom, Chamber of Mines, +27 (0) 11 498 7409 or +27 (0) 82 773 9553

Charmane Russell, on behalf of the Gold Producers, +27 (0)11 880 3924 or + 27 (0) 82 372 5816

The reasons for the submissions being invalid were as follows:

- 448 submissions were found to be current AMCU members, whose subscriptions are already reflected in the payroll.
- 95 submissions were for contractor employees, which is not administered by the company and have been referred to the contractors.
- 45 forms were duplicated.
- 587 submissions were for employees who were no longer with the company.
- 27 submissions could not be allocated (that is, names and company numbers could not be allocated to employees).

Of the 247 submissions that were then scrutinised jointly by the company and AMCU, the following was found:

- 7 subscriptions were found to be in favour of AMCU and will be implemented for payroll deductions during the July pay month.
- 240 comprised 10 AMCU forms without dates, which will be dealt with, and 230 were confirmed as members of other unions.

Harmony

The 49 submissions received by Harmony relate to the company's Kalgold operation where AMCU has recently approached management for organisational rights. Some of the submissions date back to 2012, 2013 and 2014 when AMCU was not sufficiently representative and did not meet the required threshold for organisational rights. AMCU has now reached a representation level of 22% at Kalgold and the company has found these applications to be initially valid pending verification. The company will now conduct a detailed verification process with the individuals confirming their amended union affiliation. Once this process has been completed, these applications – and subject to AMCU's representation being above the threshold of 20% and an agreement in terms of organisational rights being signed - these submissions will be processed.

Sibanye Gold

Copies of a total of 5,011 submissions were received from AMCU, dating back to 2012. The majority of these stop orders were found to have been previously submitted to the various operations of the company by AMCU during their Section 21 applications and were rejected during the verification processes. Notwithstanding the above and in an effort to demonstrate transparency and good faith on the part of the company, all 5,011 stop orders were once again subjected to a joint verification process conducted in the presence of and with participation of AMCU representatives.

Accordingly some 4,618 stop orders were invalid on the basis that:

- 72 submissions (1%) for contractor employees, which are not administered by the company and which have been referred to the contractors.
- 1,790 submissions (35%) on behalf of individuals who are no longer with the company.
- 1,447 duplicate submissions (29%)
- 1,309 invalid submissions (27%).

Following a validation process, 315 have been confirmed as AMCU members. It has become apparent that there are reasons for these submissions not having previously been processed: employees regularly migrate between unions and a number of submissions have not previously been presented at operational level.

See the background note below for further information.

Should you have any queries please contact:

Dr Elize Strydom, Chamber of Mines

+27 (0)11 498 7409 or +27 (0)82 773 9553

Charmane Russell and Memory Johnstone, on behalf of the gold producers

+27 (0)11 880 3924 or +27 (0)82 372 5816 or charmane@rair.co.za or memory@rair.co.za

Background information:

Verification process of union representation figures

Information relating to representation is dealt with on a mine-by-mine level. Every debit order request for union dues is scrutinised and verified by the companies.

A large percentage of the submissions submitted every month are found not to be valid because:

- Forms and details are found to be incomplete or incorrect.
- The claimed members are no longer employees of the mine owing to such reasons as natural attrition or persons working for contractors
- Employees joining AMCU and then later joining another Union without notifying AMCU.
- Duplicate and even triplicate submissions are made.
- Dual membership has been applied for (which is acceptable from a stop-order perspective, but a single union must be nominated for representation).
- Out-of-date submissions are made. A submission brought to the companies that was made in 2012, for example, cannot be assumed to be the latest submission.

Union representation figures are provided to all unions on a monthly basis and any issued related to this matter can be raised with each company at any time. If any employee is dissatisfied with the reflection of his union membership, which is reflected on his/her pay slip, he/she is entitled to correct any error within immediate effect. Union representation figures reflect union dues deducted from payroll and are subject to rigorous financial scrutiny and audit.

Inclusivity vs majoritarianism

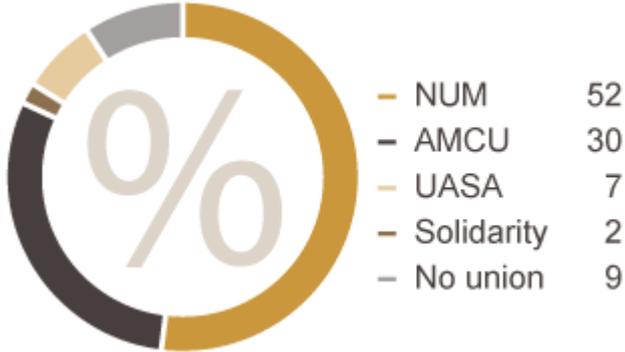
The gold industry has always tended to have a very inclusive approach to recognition, seeking to engage with all unions that represent a significant number of employees. This level is decided on a company-by-company basis and is usually incorporated into on-mine agreements. In 2013 AMCU gained

recognition at a few operations of the gold mining companies and was therefore invited to participate in the 2013 wage negotiations. AMCU has since been recognised by a number of gold companies.

Union representation in the gold industry as at 25 June 2015

The details below reflect payroll deductions for the month of June and are to the best of our knowledge accurate:

Union representation figures for the gold companies represented by the CoM in centralised collective bargaining - as at 25 June 2015



Union representation at a company level is provided on our website at <http://www.goldwagene negotiations.co.za/facts-and-figures#union-breakdown>