

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**

GOLD WAGE NEGOTIATIONS UPDATE

Parties remain far apart; further intensive dialogue needed

Johannesburg, 16 July 2015: Gold wage negotiations between the producers (AngloGold Ashanti, Evander Gold Mines, Harmony, Sibanye Gold and Village Main Reef) and unions (National Union of Mineworkers (NUM), Solidarity and UASA) continued today. In addition, discussions with AMCU were also undertaken. Notwithstanding revised demands by the NUM, UASA and Solidarity yesterday, and revisions to the Chamber's offer that were tabled today, the parties remain far apart.

"The Economic and Social Sustainability Agreement is critical to the long-term sustainability of the industry, and its ability to preserve jobs," the Chamber of Mines' Dr Elize Strydom said. "We encourage the unions to engage with their members on the details contained within our proposal".

The Chamber tabled a number of revisions to its offer today:

- An increase in the minimum amount an employee may be entitled to in the event of retrenchment, from R20,000 to R30,000 (50%) over five years.
- An increase in medical incapacity benefits from R40,000 to R55,000 (37.5%) over five years.
- An agreement that the retirement age for all *surface workers* will be 63 years. The Chamber believes that the unions' demand for an increase to the retirement age to 63 years for *Miners, underground Artisans and Officials* requires greater discussion by the parties for all the possible issues related to this could be properly understood including occupational health issues, issues pertaining to retirement funds and productivity, as well as Rand Mutual and ODMWA funding. The Chamber proposed that a task team be created to investigate the matter.
- Increasing the extension of the 2013 agreement where the employer's current medical aid co-contribution ratio for Category 4 to 8 employees will be 60:40 for the duration of this agreement.

“We have revised those offers that we have been able to do, but we cannot increase our current wage and gain-share offers without affecting the sustainability of the sector and threatening jobs,” Strydom said.

The gold producers have approached these negotiations differently from previous wage talks, opening with good across-the-board increases and a suite of proposals that have positive and far-reaching consequences for employees including, among others, improved job security and a pathway to home ownership.

The basic wage increase offers range between 7.8% to 13% for Cat 4 to 8 employees, and between 4.5% and 6% for Miners, Artisans and Officials. The offer also includes a gain share proposal, which is in addition to basic wages, benefits and all other bonuses and incentive payments, and ranges between 3.5% and 5% from the first rand of profit earned (as defined).

The companies developed these wage offers a few weeks ago based on a gold price of \$1,200 per ounce. Today’s gold price is \$1,144 per ounce.

“The parties are aware of the severe economic headwinds our industry is facing, including a dollar gold price which has steadily declined in recent years,” Strydom said.

“We have the joint responsibility of doing what is in the best interest of our industry, employees and members. We believe all parties can ultimately conclude an agreement that would be beneficial to us all, underpinned by sustainability and job security.”

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
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