

Statement issued on behalf of:

AngloGold Ashanti | Harmony
Evander Gold Mines | Sibanye

WAGE NEGOTIATIONS FOR THE GOLD INDUSTRY 2015

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

GOLD PRODUCERS TABLE CCMA CONCILIATED OFFER

Producers cannot ensure the sustainability of the industry on their own

Johannesburg, 15 September 2015: Gold producers AngloGold Ashanti, Evander Gold Mines, Harmony and Sibanye Gold tabled revised offers in respect of wages to unions, the Association of Mining and Construction Union (AMCU), the National Union of Mineworkers (NUM), Solidarity and UASA for the period 1 July 2015 to 30 June 2018.

The revised offers will attract full benefits and will ensure that entry-level, underground employees receive guaranteed pay* of between R13,728 and R14,611 per month in the third year of the agreement, which equates to total increases for entry-level, underground employees of between R2,869 and R3,552 over the duration of the agreement.

*(*guaranteed pay includes basic pay and allowances, as well as medical and retirement contributions)*

Speaking on behalf of the Chamber of Mines, Dr Elize Strydom said: “As we have indicated throughout the negotiations, our focus is on achieving an agreement which will ensure the sustainability of the industry and jobs as far as possible. The offers made by the companies are generous, significantly above inflation and higher than any increases offered or agreed on in any other industry this year. We are focused on making a real difference to the lives of employees.”

Wage offers and benefits

In line with the companies’ differing economic circumstances, offers in respect of wages are differentiated as follows:

AngloGold Ashanti has made the following offer to:

- Category 4-8 employees and B-lower officials, an amount of R750 per month in year 1, R775 per month in year 2 and R800 per month in year 3, as well as a R100 per month increase in living-out allowance in year 1.

Queries:

Dr Elize Strydom, Chamber of Mines, +27 (0) 11 498 7409 or +27 (0) 82 773 9533

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

- Miners, Artisans and Officials, an increase of 6% on standard rate of pay in year 1, and 6% or CPI (whichever is the greater) in years 2 and 3.

Evander Gold Mines has made the following offer to:

- Category 4-8 employees and B-lower officials, an amount of R650 per month in year 1, R675 per month in year 2 and R725 per month in year 3, as well as a R100 per month increase in living-out allowance in year 1.
- Miners, Artisans and Officials, an increase of 6% on standard rate of pay in year 1, and 6% or CPI (whichever is the greater) in years 2 and 3.

Harmony has made the following offer to:

- Category 4-8 employees and B-lower officials, an amount of R600 per month in year 1, R600 per month in year 2 and R600 per month in year 3, as well as a R100 per month increase in living-out allowance in year 1.
- Miners, Artisans and Officials, an increase of 6% on standard rate of pay in years 1, 2 and 3.

Sibanye Gold has made the following offer to:

- Category 4-8 employees and B-lower officials, an amount of R675 per month in year 1, R700 per month in year 2 and R725 per month in year 3, as well as a R100 per month increase in living-out allowance in year 1.
- Miners, Artisans and Officials, an increase of 6% on standard rate of pay in year 1, and 6% or CPI (whichever is the greater) in years 2 and 3.

The following additional non-wage offers previously made in response to union demands, remain in place:

- An increase in medical incapacity benefit from R40,000 to R55,000 over three years.
- Extension of the 2011-2013 concession of the medical aid contribution rates to 60% for employers and 40% for Cat 4-8 employees for three years from the date of the wage agreement.
- Increase in the current guaranteed minimum severance pay from R20,000 to R30,000 over three years.
- Extension of retirement age for surface workers to 63 years as from 1 July 2015, subject to meeting company medical examinations and fitness-to-work assessments as required. Employees who wish to retire at 63 or before 63 shall be entitled to do so.

The companies propose that a task team be established to investigate the extension of the retirement age for underground employees from 60 to 63 years of age. The task

team must complete a written report on its findings and recommendations within six months.

“As the producers, we cannot ensure the sustainability of our industry on our own. We urge all parties to consider the situation the industry currently finds itself in and the long-term consequences of unrealistic wage increases. We further urge the unions and our employees to seriously consider this offer,” Dr Strydom concluded.

Further conciliation between the parties has been scheduled for Monday, 21 September 2015.

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
+27 (0)82 372 5816 or +27 (0)82 719 3081
charmane@rair.co.za or memory@rair.co.za