

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**

SIBANYE CONCLUDES THREE-YEAR WAGE AGREEMENT WITH THE NUM, UASA AND SOLIDARITY

Johannesburg, 21 October 2015: The Chamber of Mines, acting on behalf of Sibanye Gold, advises that the company has reached a three-year agreement with the National Union of Mineworkers (NUM), Solidarity and UASA in respect of wages and conditions of service for the period 1 July 2015 to 30 June 2018.

Speaking on behalf of the gold producers, Dr Elize Strydom noted: "Sibanye had indicated that it wanted to sign an agreement with all four unions in the interest of labour stability and the sustainability of the industry. Throughout the process, Sibanye has made every effort to engage meaningfully with all parties including AMCU and, indeed, extended the negotiations period in an effort to reach a mutually beneficial agreement. After further extensive engagement under the auspices of, and facilitated by the CCMA, it became clear that this was not possible. While it is unfortunate that all the parties could not agree, we are pleased that an agreement has been reached with the NUM, UASA and Solidarity."

The settlement is on the same terms as previously offered and provides for the following:

- Category 4-8 employees and B-lower officials will receive an increase 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. This represents an increase of 12% in year 1, 11% in year 2 and 10% in year 3.
- 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.

Non-wage items agreed

In addition to the wage increase, the following additional non-wage points have been agreed by all companies:

- Increase in medical incapacity benefit from R40,000 to R55,000 over three years.
- Medical aid contribution rates to remain at 60% for employers and 40% for Cat 4-8 employees for three years from the date of agreement.
- Increase in current guaranteed minimum severance pay from R20,000 to R30,000 over three years.

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- Extension of retirement age for surface workers to 63 years, subject to meeting company medical examinations and fitness-to-work assessments as required, provided that employees who wish to retire at 63 or before 63 shall be entitled to do so.
- A task team will be established to investigate the extension of retirement age for underground employees from 60 to 63 years. The task team must complete a written report on its findings and recommendations within six months.
- Increases in the funeral cover for certain employment categories.
- An agreement that the parties will engage over a three year period on the issue of securing the sustainability of the sector and operational efficiency.

“As advised on 2 October 2015, the wage settlements reached between the relevant companies and unions are all substantial – between 10% and 13% increase in basic wage for entry-level employees in each of the three years of the agreement. Put differently, for entry-level employees this is an increase of between R25,000 and R30,000 per employee over the three-year period,” Dr Strydom concluded.

Should you have any queries please contact:

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