

Brief from Martin & Benford

18 December 2018

South Deep and NUM reach agreement to end strike action



South Deep: Saving jobs & securing our future

Dear Colleagues

We are very pleased to announce that the Company and the National Union of Mineworkers (NUM) today signed a settlement agreement following the 45-day strike, which had been called off by the NUM on 13 December 2018.

The settlement agreement was signed with the NUM PWV Region and its National Office after a mass meeting at South Deep this morning. We are grateful that many of you had already been at work since the strike was called-off last Thursday.

The agreement we signed with the NUM not only formally ends the strike, it also paves the way for our future relationship with the union. The key issues that are covered in this agreement are:

- 1) How we will deal with 'No Work, No Pay' for employees who participated in the strike:
 - a. The 'No Work, No Pay' will be deducted over four months (November to February).
 - b. We will pay all CU and below employees a once-off ex gratia payment of 20% of their basic pay for November, provided they had returned for duty by 15 December 2018.
 - c. There will be an opportunity for employees to earn back the 'No Work, No Pay' losses in January and February, if we exceed our monthly gold production targets.
- 2) Collective Agreements:

Our collective agreements are dated and do not serve the best interests of our employees or the Company. As part of the settlement agreement we have agreed to renegotiate the collective agreements. Key changes to the collective agreement are:

 - a. The number of full-time Shop Stewards will be limited to 6 - 3 full-time Shop Stewards and 3 full-time Health & Safety Stewards.
 - b. Commencing from the 2019 production year, employees will be required to take leave should the mine shut down between Good Friday and Easter Monday, as well as during the Christmas/New Year break.
- 3) Employees retrenched under the Section 189 process will be given priority for any future positions at the mine, provided they meet the skills and all other criteria of the position.
- 4) The start of a facilitated relationship-building programme to address the difficult, and currently adversarial, relationship between the NUM branch leadership and management.
- 5) To finalise a technical and economic review of South Deep and to work with the NUM in the Future Forum to collectively focus on building a sustainable mine.



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Employees, who participated in the strike action, will be given an advance in terms of their basic wage over the duration of the strike, with this advance being recovered in four equal installments for the months of November 2018 – February 2019. This payment will exclude any fixed and variable allowances and will be made on 22 December 2018.

The NUM will now undertake the process to establish a new South Deep branch. In the interim, the NUM PWV region will fulfill the role that the Branch ordinarily undertakes.

What is most critical now is that we put this difficult period behind us and work together to build a sustainable future for our employees, our communities, our stakeholder and our shareholders.



Martin Preece, EVP: South Africa Region



Benford Mokoatle: VP & Head of Operations



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