

MINING RIGHTS:

- 10/2006 MR (DMR Reference Nr: GP30/5/3/2/2(01) MR) (West Wits Operations : Mponeng, TauTona and Savuka mines)
- 30/2006 MR (DMR Reference Nr: GP30/5/3/2/2(11) MR) (Block 1C11)

CONVERSION OF THE OLD ORDER MINING RIGHT(S) INTO A NEW ORDER RIGHT:

- ML28/2002 (DMR Reference Nr: GP30/5/1/2/5/248 SP) Farm Doornfontein 118 IQ (Remaining Extent 12 and Remaining Extent 13) Magnum Farm



AngloGold Ashanti
West Wits Operations

Mining Charter Report: 2011

Date of Submission: 30 March 2012



AngloGold Ashanti Limited \ Reg. No.1944/017354/06
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29 March 2012

I, **Mike O'Hare** the, Executive Vice President South Africa Region of AngloGold Ashanti Limited (Company), undersigned and duly authorized thereto by AngloGold Ashanti Limited, confirm that all information contained in this report for 2011 in is true and reflective of the AngloGold Ashanti's , South African Region's achievements.

Signed at Potchefstroom on thisday of2012.

Signature:
Executive Vice President South Africa Region

INTRODUCTION AND EXECUTIVE SUMMARY

INTRODUCTION

The company submitted its West Wits Operations' Social and Labour Plan, as outlined below on 31 August 2010. The delay in the submission was due to the fact that during 2010, the Mining Charter was in the process of being reviewed by the government and relevant stakeholders, and it was envisaged that this process would be concluded during the first half of the year. Unfortunately, this was not the case and the Amended Mining Charter was only gazetted in September 2010, some few weeks after the submission of the above-stated Social and Labour Plan (SLP).

On the 07 July 2011, the company received a letter from the DMR GP (Gauteng Province) Regional Manager with respect to its application for "Magnum Farm" (ML28/2002), directing it to reconsider some of the provisions of the above stated Social and Labour Plan. This precipitated a process of consultations with the GP DMR, unions and municipalities of Merafong (Host communities) and OR Tambo (Labour sending area), aimed at reviewing the above-stated SLP in line with the DMR directive and agreements reached during the consultation process with all the stakeholders. This resulted in the Revised SLP as submitted to the DMR on 19 October 2011.

The abovementioned consultations resulted in the company substantially increasing its financial provisions, taking into account the DMR's directive and recommendations, in particular, the recommendation that if "Magnum Farm" has to form part of the WW SLP, it would have to increase its financial provisions parallel to the above review of the SLP.

The company has subsequent to the submission of the abovementioned revised SLP, engaged with the DMR to get guidance on the SLP Implementation Plan, with the last workshop being held on 20 March 2012. These resulted in the parties reaching the understanding that issues raised by the DMR subsequent to the submission of the abovementioned SLP will be dealt with in the above mentioned implementation plan due for submission together with this report.

While the above stated consultations have resulted in the slowing down of the delivery of the Community Development projects for 2011, the stakeholders have now reached consensus on projects to be implemented in the period 2012 to 2014. To speed up the delivery of the projects the company has signed a Memoranda of Understanding (MOU) with Merafong, West Rand District Municipality and OR Tambo outlining the structures and processes to be followed with respect to the implementation of the agreed SLP projects.

Beginning July 2011, the company also embarked on a process to develop the Socio-Economic Development Framework (SEDF) in conjunction with all the relevant stakeholders including the DMR, recognised trade unions, municipalities and Non- Governmental Organisations (NGOs). The above stated SEDF was completed in February 2012. The objectives of the Socio-economic development strategy are:

- Integrate the development of communities in which we operate into our core business activities;
- Support national policy options that address youth unemployment;
- Satisfy our external obligations within legislative frameworks;
- Be consistent with the millennium development goals of the United Nations and the National Planning Commission's vision for South Africa; and
- Give consideration to South Africa's Integrated Development Planning Municipality framework in the development of the Social and Labour Plans.

The SEDF has as its key focus areas the following:

- Land and Environmental Strategy

- Infrastructure Development Strategy
- Social Development Strategy
- Economic Development Strategy
- Institutional Development Strategy

Underpinning the SEDF is the AGA Socio-economic Development Fund, comprising three categories of funds covering the above mentioned five focus areas of the SEDF as follows:

- ▶ Local Economic Development (LED) Fund – this provides for the identified infrastructure development projects, income generating and/or job creation projects, and community human resources development programmes, funded in the form of grants.
- ▶ Enterprise Development (ED) Fund – this provides for the funding of ED projects in each of the host communities and labour sending areas by way of loans to the entrepreneurs.
- ▶ Social and Institutional Development Fund (SIDF) – this provides for the funding of the Social and Institutional projects as proposed mainly by the NGOs in the host and labour sending areas by way of grants from the company.

EXECUTIVE SUMMARY

This report outlines the progress on the undertaking and commitments as contained in the 2010-2014 WW SLP (both the original and revised submissions) covering the following mining rights:

- 10/2006 MR (DMR Reference Nr: GP30/5/3/2/2(01) MR) (“West Wits Operations : Mponeng, TauTona and Savuka mines”)
- 30/2006 MR (DMR Reference Nr: GP30/5/3/2/2(11) MR) (“Block 1C11”)

And the conversion of the old order mining right(s) into a new order right:

- ML28/2002 (DMR Reference Nr: GP30/5/1/2/5/248 SP) in respect of the Farm Doornfontein 118 IQ (Remaining Extent 12 and Remaining Extent 13) , also known as “Magnum Farm”

AGA South Africa Region has a total workforce of 12449 employees in the West Wits mining license area of operations which includes fixed term contractors. The breakdown of the origin of Employees is detailed in Annexure 1.

AGA's West Wits operations are situated approximately 75km west of Johannesburg within Gauteng. The site is approximately 7km south of Carletonville. Other neighbouring towns are Fochville and Potchefstroom in the North West Province, which are situated 12 km and 50 km respectively to the south and west of the mine.

The following are the salient points in this report as these relate to the company's progress towards achieving its Mining Charter obligations in the 2011 reporting period:

1. **Reporting** – The Company submitted its Annual Report for 2010 on 31 March 2011.
2. **Ownership** – The Company has exceeded the Mining Charter (MC) target of 26% Historically Disadvantaged South African (HDSA) ownership as it achieved 26.8% HDSA ownership at the end of 2011 reporting period.
3. **Housing and Living Conditions** – At the end of the reporting period 46% of the residences were converted into single accommodation against the mining charter target of 26% and 70% of the residences were also converted into family units against the MC target of 25% during the reporting period.

With respect to Nutrition the Chamber of Mines Research Organization (COMRO) reference report was used as a guide in terms of the dietary requirements.

4. **Procurement and Enterprise Development** – **At the end of the reporting period the company achieved** 43% for capital goods against the MC target of 10%, 24% for services against MC target of 40% and 51% for consumable goods against the MC target of 15%. The main challenge is with respect with services were the majority of suppliers are governed by the BEE code and not by the MC requirements of 25% BEE ownership. This issue has been brought to the attention of the DMR for noting. With respect to Multi-National suppliers contribution to the social fund, the company still awaits the finalization of the fund by the DMR and COM task team. However the Company has alerted the Multi-national Suppliers about this requirement and requested them to provide for this in the form of a Trust Fund.
5. **Employment Equity (EE)** – The Company achieved the targets as set by the MC for the 2011 reporting period. In the revised SLP, the targets have also been set per Business Unit (BU) as per the recommendation of the DMR. Achievements of the targets at Senior management level remains a challenge and appropriate action plans will be put in place to assist in achieving the 2014 targets in this regard.

- 6. Human Resources Development (HRD)** – HRD Expenditure as a % of total annual payroll for the reporting period was 4,6% against the MC target of 3,5%. During the 2011 DMR engagement the misalignment of HRD to EE was identified, in particular in respect to Mentorship plan and action plans will be put in place to align these in the above stated Implementation Plan.
- 7. Mine Community Development** – Subsequent to the directive from the DRM extensive consultations were undertaken with the host and labour sending municipalities to review and identify community development projects for the period ending 2014. The financial provision including for community human resources development programmes was substantially increased to make a meaningful impact in the socio-economic well being of the communities in which we operate and in the labour sending areas. Although this resulted in the slowing down of delivery in this particular area the stakeholders have put mechanisms in place beginning in 2012 to speed up the delivery of the above mentioned LED and community human resource development programmes.

As per the recommendations of the DMR not all ED projects should be financed as loans, especially those whose beneficiaries are likely to be broad based. In line with this approach the ED projects have been categorised into income generating projects financed by grants (financed from the LED fund), and ED projects financed by loans (financed from the ED fund) that is, broad-based co-orporative vs. narrow based individual entrepreneurs. This would then be incorporated into our Implementation Plan.

The Mandating and Implementing Committees have been established in terms of the MOUs signed between the company and the Municipalities of Merafong and OR Tambo to speed up delivery of the community development projects in the company's host and labour sending areas. The Future Forum constitution was signed by all recognized Trade Unions in February 2012.

It is noted that reference is been made to the “BBBEE codes hav(ing) a target of 1% NPAT”. In terms of the BBBEE codes the socio-economic element, community development projects are not only confined to LED projects as identified in the IDPs of municipalities but also includes other contributions to the community like community ABET, bursaries, internships, and portable skills. To this end the community development expenditure is inclusive of Community HRD contributions.

- 8. Beneficiation** – The Beneficiation strategy by government is being finalized.
- 9. Sustainable development & growth** - With respect to Environment management the company revised and resubmitted it's EMP during the fourth quarter of 2011 following the DMR comments on the initial submissions made in 2009. The company also complied with the commitments in the tri-partite action plan on health and safety.
- 10. Definition of “employee”** – In the engagements with the DMR, it was brought to the attention of the company that the MPRDA's definition of an “employee” includes those of contractors. An Action Plan will be put in place to engage with the major contractors on how they will have to comply with the relevant pillars of the SLP and submit their reports to the company on an annual basis, beginning end of 2012, in inclusion in the company's Annual Reports to the DMR.

Mining Charter Scorecard

The table below indicates West Wits operations progress as at end of the 2011 reporting period as per the Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry:

SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY- AGA : WEST WITS									
	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2011	PROGRESS ACHIEVED BY				
					2010 Actual	2011 Actual	2012	2013	2014
1	Reporting	Has the company reported the level of compliance with the Charter for the Calendar year	Documentary proof of receipt from the department	Annually (Due 31 March)	100%	100%			
2	Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation	15% by 2009 and 26% by 2014	26,8%	26,8%			
			Full shareholder rights	15% by 2009 and 26% by 2014	26,8%	26,8%			
3	Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room.	Percentage reduction of occupancy rate towards 2014 target.	26%	22%	46.00%			
		Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units against units available for conversion	25%	55%	70%	*	*	*
		Home Ownership	Implement initiatives to facilitate home ownership e.g. Preference surveys, advice on purchasing homes, training on benefits of home ownership	No target set	The home ownership survey was completed and consultations with the unions on the review of the home ownership strategy are in progress.				
4	Procurement & Enterprise Development	Procurement spent from BEE entity	Capital goods	10%	39%	43%			
			Services	40%	29%	24%			
			Consumable goods	15%	40%	51%			
		Multinational suppliers contribution to the social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	Awaiting the DMR guidance	Awaiting the DMR guidance			
5	Employment	Diversification of the	Top Management (F Band)	25%	25%	40.0%			

SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY- AGA : WEST WITS

ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2011	PROGRESS ACHIEVED BY					
				2010 Actual	2011 Actual	2012	2013	2014	
Equity	workplace to reflect the country's demographics to attain competitiveness.	Senior Management (E Band)	25%	25.30%	29.2% ¹				
		Middle Management (D Band)	35%	38.80%	47.6% ²				
		Junior Management (C Band)	40%	52.3%	56.8% ³				
		Core Skills	20%	51%	51.5% ^{**}				
6	Human Resource Development	Development of requisite skills, incl. support for South African based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excl. mandatory skills development levy)	3.5%	5.10%	4.63% ^{***}			
7	Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects in line with IDP's of local and major labour sending municipalities.	Implementation of projects will serve to enhance relationships amongst stakeholders leading to communities owing patronage to projects.	R23 672 979 ^{****}	R 15 379 990.45 (Community Development) plus Community HRD R3 098 303 Which amount to 0.9% NPAT			
8	Sustainable development & growth	Improvement of the industry's environmental management	Implementation of approved EMPs.	100% (Annual progress achieved against approved EMPs)	AngloGold Ashanti revised and resubmitted its Environmental Management Programme (EMP) during the 4th Quarter 2011 following DMR comments on the initial submissions made in 2009. Formal environmental performance assessments will be conducted on a two-yearly basis from the date of EMP approval.				
		Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on Health and Safety	100% (Annual progress achieved against commitments in the tripartite action plan on health and safety)	n/a	91,70%			
		Utilisation of South African based research facilities for	Percentage of samples in South African facilities	2014	2010	2011	2012	2013	2014

SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY- AGA : WEST WITS

ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2011	PROGRESS ACHIEVED BY					
				2010 Actual	2011 Actual	2012	2013	2014	
	analysis of samples across the mining value chain	MC Requirement :	100%	Establish baseline	25%	50%	75%	100%	
		AGA Progress:		To be clarified by DMR					
9	Beneficiation	Contribution of a mining company towards beneficiation (this measure is effective from 2012)	Additional production volume contributory to local value addition beyond the base-line	Section 26 of the MPRDA (percentage above baseline)	To be clarified by DMR				

Legend

*	Family Units: No specific targets set by the Mining Charter. We have measured ourselves on actual units converted against total units available for conversion
**	Clarity regarding definition of core skills is required. AGA describes Core and Critical Skills as all employees within Mining, Engineering, MRM and Metallurgy disciplines.
***	The 4.63% is the figure which includes white males. It should be noted that when we exclude WM, the HDSA contribution is at 5.84%
****	This figure is for the entire AGA-SAR operations including Corporate Office and excluded Community HRD programmes.
1	29.2% HDSA representation at Senior Management level. If we take into account the EAP of White females(6%),HDSA representation is 25.8%
2	47.6% HDSA representation at Middle management level. If we take into account the EAP of White females(6%),HDSA representation is 39.3%
3	56.8% HDSA representation at this level If we take into account the EAP of White females(6%),HDSA representation is 52.6%
Note	Female representation in the workforce currently stands at 12.6% against the previous charter target of 10%

The tables hereunder reflect information captured in the templates which are required by the DMR:

Reporting & Contact Details

Reporting on compliance with Mining Charter: 31 December		2011
Name of mining company	AngloGold Ashanti	
Postal address	P.O.Box 6119, Baillie Park, Potchefstroom, 2526.	
Operations covered by report	MINING RIGHTS: <ul style="list-style-type: none"> 10/2006 MR (DMR Reference Nr: GP30/5/3/2/2(01) MR) (West Wits Operations : Mponeng, TauTona and Savuka mines) 30/2006 MR (DMR Reference Nr: GP30/5/3/2/2(11) MR) (Block 1C11) CONVERSION OF THE OLD ORDER MINING RIGHT(S) INTO A NEW ORDER RIGHT: <ul style="list-style-type: none"> ML28/2002 (DMR Reference Nr: GP30/5/1/2/5/248 SP) Farm Doornfontein 118 IQ (Remaining Extent 12 and Remaining Extent 13) Magnum Farm 	
Details of person completing questionnaire:		
Name	Mr.S.M.Moloko for Mr M.O Hare	
Designation	Senior Vice President : Sustainable Development	
Tel	018-290 3000/ 3023	
Cell	082 650 2543	
E-mail	smoloko@anglogoldashanti.com	
Comments (if any)		
SUMMARY OF CHARTER SCORES (DMR OFFICE USE ONLY)		
	POINTS	COMMENTS
OWNERSHIP (Yes / No)		
PROCUREMENT		
EMPLOYMENT EQUITY		
HUMAN RESOURCE DEV		
ACCOMMODATION (Yes / No)		
COMMUNITY DEVELOPMENT		
HEALTH AND SAFETY		
ENVIRONMENT		
SAMPLE ANALYSIS		
TOTAL		

1. Ownership

1.REPORT ON OWNERSHIP FOR 31 DECEMBER			2011
		% <i>meaningful economic participation</i> (1)	% full shareholder rights (1)
1.1	Percentage HDSA ownership credits of company (%) (Target in 15% in 2010 and 26% in 2014)	26.8% (please note that 20.8% of this resides with ARMgold Limited in respect of assets sold to ARM)	26.8% (please note that 20.8% of this resides with ARMgold Limited respect of assets sold to ARM)
		(1) Please provide details separately if figures are not the same	
		TOTAL (Rm)	
1.2	South African market capitalisation of company (Rm)	R52bn	
1.3	Total current value of HDSA transaction (Rm)	unsure how to calculate	
3.4	Nature of HDSA Ownership Credits	Percentage of company based on Rm or production	
1.4.1	Percentage HDSA credits earned through transfer of shares or issue of new shares to following beneficiaries:		
	a) BEE entrepreneurs	1.50% (Izingwe)	
	b) Employees (e.g. ESOPs)	4.5% (91% of beneficiaries are HDSA)	
	c) Community interests	0	
1.4.2	Percentage HDSA credits earned through sale of assets to the following beneficiaries:		
	a) BEE company or consortium	20.80%	
	b) Employees (e.g. ESOPs)	0%	
	c) Community interests	0%	
1.4.3	Percentage HDSA credits earned by other means - provide short description		
1.4.4	TOTAL percentage HDSA ownership credits	26.80%	
OWNERSHIP COMPLIANCE (DMR OFFICE USE ONLY) YES OR NO			

2. Procurement

2. REPORT ON PROCUREMENT AND MULTINATIONALS FOR THE YEAR												2011		
2.1 PROCUREMENT														
	Targets					Calendar year					Points (office use only)			
	2010	2011	2012	2013	2014	Total Procurement spend (Rm)(1A)	Non-Discretionary spend (Rm)(1B)	Discretionary Spend (Rm) (1A-1B =1C)	Spend with BEE Entities (Rm)(1D)	% Spend with BEE entities (1D as % of 1C)	Maximum	Awarded 2010	Awarded towards 2014	
2.1.1 Procurement of capital goods	5%	10%	20%	30%	40%	593,755,185	-	593,755,185	253,567,637	43%	5	5.00	5.00	
2.1.2 Procurement of services	30%	40%	50%	60%	70%	414,654,273	-	414,654,273	97,902,288	24%	5	2.95	1.69	
2.1.3 Procurement of consumables	10%	15%	25%	40%	50%	835,437,454	-	835,437,454	427,136,393	51%	2	2.00	2.00	
Note: One point will be deducted for each full 2% below target														
2.2 CONTRIBUTIONS BY MULTINATIONAL SUPPLIERS OF CAPITAL GOODS														
2.2.1 Have all multinational suppliers of capital goods with operations in SA, provided evidence of contributing at least 0.5% of their income generated from your company, to social development?										YES/NO (if NO, provide full details separately)				
Note: If your company does not procure any capital goods from multinational companies, the points in Section 2.1 are to be increased to 6 points each under Subsection 2.1.1 and 2.1.2 and 3 points under Subsection 2.1.3														
2.2.2 Detail of procurement spend and contributions:	Target	Calendar year					Points (office use only)							
							Maximum	Awarded						
a) Your company's total spending on procurement of capital goods from multinational suppliers operating in SA (Rm)(2A)		78,927,600.60												
b) Total contribution by such suppliers to social development in respect of your company's procurement (Rm)(2B)		Awaiting DMR to set up the social fund.												
c) Percentage of procurement spend (2A as percentage of 2B)	0.5%	0.00%						3	0					

2.3 TOTAL POINTS FOR PROCUREMENT - 2010												
Total of 2.1.1, 2.1.2,2.1.3 and 2.2.2(c)		9.95								66%		
2.3 TOTAL POINTS FOR PROCUREMENT - 2014												
Total of 2.1.1, 2.1.2,2.1.3 and 2.2.2(c)		8.69								58%		

3. Employment Equity

3. EMPLOYMENT EQUITY REPORT FOR 31 DECEMBER							2011				
3.1 Number of employees (NOTE: Place an employee in the category that best resembles his/her job. Do not double count)											
Category	African		Coloured		Indian		White	Subtotals (A)	White	Grand totals (B)	
	Male	Female	Male	Female	Male	Female	Female		Male		
Top management	1	1	0	0	0	0	2	4	4	8	
Senior management	10	1	0	1	5	2	9	28	56	84	
Middle Management	74	29	9	4	16	5	59	196	197	393	
Junior Management	761	167	17	11	3	6	212	1177	740	1917	
Core & Critical Skills (1)	5373	614	7	2	0	0	7	6003	57	6060	
Total of the above	6219	812	33	18	24	13	289	7408	1054	8462	
(1) These are skills necessary and inextricably linked to day-to-day operations OR skills that enhance the performance of an operation and are in scarce supply. This could include artisans, engineers incl rock engineers, professionals (i.e. recognized by a professional body), specialists (e.g. surveyor, safety, geologist, metallurgist, winding engine driver, environmental, etc.), technologists, technicians, and persons with mining specific qualifications or licenses.											
3.2 Percentage HDSAs at different levels											
	Subtotals as in table above (A)	Grand totals as in table above (B)	A as percentage of B	TARGET					Points (office use only)		
				2010	2011	2012	2013	2014	Maximum	Awarded (2)	
Top management	4	8	50.00	20%	25%	30%	35%	40%	3		
Senior management	28	84	33.33	20%	25%	30%	35%	40%	4		
Middle Management	196	393	49.87	30%	35%	40%	40%	40%	3		
Junior Management	1177	1917	61.40	40%	40%	40%	40%	40%	1		
Core and Critical Skills	6003	6060	99.06	15%	20%	30%	35%	40%	5		
TOTAL	7408	8462	293.66353						16	0	
2) Note: One point will be deducted for every full 0.5% below target											

4. Human Resource Development

4. HUMAN RESOURCE DEVELOPMENT (HRD) REPORT FOR THE YEAR								2011
4.1 Total HRD expenditure (excluding mandatory skills development levy) in R million								
Expenditure items	African		Coloured		Indian		White	Total
	Male	Female	Male	Female	Male	Female	Female	
a) Learnership	R 7.96	1.37	R 0.07	0	0	0	0	9.4
b) Artisans and apprentices								0
c) ABET Training	6.18	1.05	0	0	0	0	0	7.23
d) Other training initiatives	71.14	6.65	0.44	0.07	0.15	0.06	1.4	79.91
e) Bursaries and scholarships	11.48	2.82	0.22	0	0.22	0.22	0.65	15.61
f) Transfer of skills and capacity building of mine communities								
g) Other school support & post matric programmes								
h) Support for South African based research and development initiatives								
i) Total HRD expenditure (R million) (A)	96.76	11.89	0.73	0.07	0.37	0.28	2.05	112.15
4.2 Calculation of percentage of payroll								
a) Total HRD expenditure (R million) as per table above (A)	112.15	TARGETS					Points (office use only)	
b) Total annual payroll in respect of HDSAs (Rm) (B)	1919.7	2010	2011	2012	2013	2014	Maximum	Awarded (1)
c) HRD expenditure as percentage of payroll (excluding skills levy)(A as % of B)	5.84%	3%	3.50%	4%	4.50%	5%	25	
1) NOTE: One point will be deducted for every full 0.1% below target.								

Footnote to Mining Charter Report 2011

Section f – Transfer of Skills and capacity Building of Mine Communities

- AGA was active in providing communities with Community ABET, Engineering portable skills as well as mining skills. These are included under “other training initiatives”.

Section g – Other school support and post matric programmes

- AGA was active in providing maths and science programs as part of winter school and star school project. Cost is included under “other training initiatives”.

Section h – Support for South African based research and development initiatives

- AGA is involved with MQA, QCTO and various chamber initiatives and also support the METF Fund. Cost is included under “other training initiatives”.

The 4.63% is the figure which includes white males. It should be noted that when we exclude WM, the HDSA contribution is at 5.84%

5. Accommodation

5. ACCOMMODATION REPORT FOR THE YEAR	2011	
Note: This report applies only to employees in company accommodation		
5.1 Report in respect of 31 December 2010		
a) Number of employees in company accommodation? (1A)	6096	
b) Number of these employees who share rooms with other employees?(1B)	4822	
c) Percentage of employees who share rooms with other employees (1B as % of 1A)	79.10104987	
5.2 Report in respect of 2011 and thereafter	TARGET	ACHIEVEMENT
a) Number of employees in company accommodation at the end of the current calendar year? (2A)	n/a	5669
b) Number of employees who share rooms with other employees at the end of the current calendar year? (2B)	75%	3395
c) TARGET 1: Percentage of employees who share rooms with other employees at end of current year (2B as % of 2A)	n/a	59.8%
d) Number of employees who share rooms with other employees at the end of the previous calendar year? (2C)	n/a	4822
e) Reduction in number of employees (2B minus 2C = 2D)	25%	-1427
f) TARGET 2: Percentage decline in shared accommodation (2D as % of 2C)	25% improvement per annum	-29.59352966
ACCOMMODATION COMPLIANCE (office use only) YES OR NO		
5.4 How many employees who shared rooms at the end of the previous year, moved to one person per room?		192
5.4.1 How many employees who shared rooms at the end of the previous year, moved to family accommodation?		1(B) – 5.2(b) - 1422

6. Community Development

6. MINE COMMUNITY DEVELOPMENT REPORT FOR THE YEAR	2011			
6.1 Consultation process	Yes/No			
a) Did the company consider the profiles of relevant communities, and identify credible leaders of the communities?	YES			
b) Did the company consult with such leaders prior to the implementation of projects?	YES			
c) Did the company consult with the leaders to identify projects within the needs analysis and prioritise such projects?	YES			
d) Did the company consult with the relevant Ward/Municipality to determine possibility of partnerships in respect of identified projects and the Ward/Municipality's Integrated Development Plan (IDP)?	YES			
e) Has provision been made for the transfer of skills and capacity building within the relevant community?	YES			
TOTAL NUMBER OF YES RESPONSES				
Points awarded: One point for each yes (Office use only)	5			
Points maximum	5 points			
6.2 Expenditure on mine community development projects				
a) Expenditure on community development in R million (A)	R 18,5m			
b) Company's net profit after tax in South Africa (NPAT) (B)	R 20,8 m			
c) Indication of proportionality (i.e. A as percentage of B)	0.89 %			
d) Target (NOTE: The BBBEE Codes have a target of 1% of NPAT)				
Points maximum	10 Points			
Points awarded (Office use only) (1)				
TOTAL POINTS AWARDED	0			
(1) Note: One point deduction for every full 0.1% below NPAT target. The NPAT of the previous financial year can be used to set the target				

This comprises LED projects to the amount of R15m plus Community HRD programmes of R 3,098,303.00

7. Health and Safety

Measure	Achievement current year	TARGETS				Points (Office use only)		
		2011	2012	2013	2014	Maximum	Awarded	
7.1 Implementation of culture transformation framework	Not applicable for 2011 reporting period.	NA	Tbc	Tbc	100%	2	2	
7.2 Percentage of employees embarking on OHS representative training	10.4%.	2%	4%	6%	8%	2	2	
7.3 Percentage of leading practices from MOSH Learning Hub investigated for implementation (1)	100%.	100%	100%	100%	100%	2	2	
Percentage of research findings from MHSC investigated for implementation (1)	100%.	100%	100%	100%	100%	2	2	
7.4 Health: Percentage of mandatory occupational health reports submitted	Achieved	100%	100%	100%	100%	2	2	
7.5 Health: Adherence to HIV/AIDS and TB guidelines	Partially achieved	Yes	Yes	Yes	Yes	2	2	
TOTAL POINTS						12	12	
(1) Only those leading practices and research findings completed during the current reporting period need to be investigated								

8. Environment

10. ENVIRONMENTAL MANAGEMENT COMPLIANCE REPORT FOR THE YEAR				2011		
MEASURE	REQUIREMENTS	Item to consider:	AGA Comments:	Yes/No	POINTS (office use only)	
					Maximum	Awarded
8.1 Implementation of approved EMPs	8.1.1 Assess performance towards achievement of the objectives, targets and Actions of the EMP.	a) Is the company in compliance with the requirements of MPRDA Regulation 55 on Monitoring and Performance Assessments of Environmental Management Programme/Plan	An Environmental Performance Assessment (EPA) Review was conducted in 2005 in terms of the then 2002 approved EMPR. AGA was since directed by the DMR to update EMP in terms of MPRDA – first submission made in December 2009, revised and resubmitted in 2011 following DMR comments. In terms of its revised EMP, AGA has committed to conduct two yearly EPAs. Pending DMR approval of revised EMP, AGA conducted an internal EPA during 4th Quarter 2011 - this will serve as baseline for future EPAs.	Y	3	
		b) If the company received feedback from DMR in relation to compliance to regulation 55, has the company acted thereon?	No specific comments received on last Performance Assessment Report and Action Plan submitted to the DMR in 2005.	Y	1	
	8.1.2 Monitor and Evaluate environmental changes and update the EMP	Are all mining activities and related activities included in the existing approved EMP's and Amendments in terms of the MPRDA?	All mining and related activities were included in the 2011 EMP – any changes or future projects will either be incorporated through the two yearly EPA process or formally incorporated into EMP as Addendums / Amendments if required.	Y	1	

	8.1.3 Undertake environmental compliance auditing	Have compliance audits been conducted (e.g. ISO 140001)?	All AGA business units have retained ISO14001 certification since 2006, supplemented with annual AGA internal systems audits. External legal compliance audits conducted on a 2-yearly basis. In addition, compliance assessments are conducted on key environmental authorisations e.g. waste and water use licences (permits), CORs, etc. AGA corporate audits on compliance with AGA Standards.	Y	1	
	8.1.4 Periodic Assessment of the adequacy of Financial Provision	a) Are all closure liability assessments done for all operations?	Closure Liability Assessments are updated annually for all operations and submitted to the DMR.	Y	2	
		b) Is the closure liability adequately funded as per the prescribed method of financial provision in terms of the MPRDA	An AGA closure trust fund has been established and any shortfall between the trust fund and the closure liability estimates is covered by bank guarantees following annual audits of liability and trust fund financial statements.	Y	2	
8.2 Implementation of the approved Rehabilitation plan	Progress towards implementation of the rehabilitation plan and concurrent rehabilitation	Are all operations with EMP commitments towards concurrent rehabilitation, up to date with the rehabilitation process?	An extensive concurrent rehabilitation programme has been in place in AGA for many years and areas suitable for concurrent rehabilitation is identified and scheduled for rehabilitation on an annual basis.	Y	1	
8.3 Implementation of approved Closure Plan	Progress towards implementation of the closure plan	Have closure plans been developed, taking into consideration sustainable closure?	Interim Closure plans have been drafted detailing very specific closure objectives. Final closure plans will be developed and submitted for approval within the timeframes as specified in the EMP.	Y	1	
TOTAL POINTS					12	0

9. Sample Analysis

9. REPORT ON ANALYSIS OF SAMPLES FOR THE YEAR				
9.1 Number of all samples across the value chain analysed per annum (A)				The company does gas, dust, medical sampling and others such as geology, metallurgy, etc. through out the year. Analysis is done in house or with SA Companies.
9.2 Number of samples analysed at South African based research facilities and laboratories - internally or externally (B)				
9.3 Percentage of samples analysed at South African based organisations (B as % of A)				
TARGETS				
2010	2011	2012	2013	2014
Baseline	25%	50%	75%	100%
9.4 TOTAL POINTS AWARDED (DMR office use only)			POINTS	
Maximum points			5	
Points awarded (1)				
1) One point will be deducted for each full 5 percentage points below target, e.g. if percentage in 9.3 above is 20%, one point will be deducted (only 4 points will be awarded).				