

UPDATE ON GOLD WAGE NEGOTIATIONS:

9 NOVEMBER 2021

Message to employees about Gold Wage Negotiations

Dear Colleagues

As you are aware, our first engagement under the auspices of the CCMA in respect of gold wage negotiations took place on Tuesday, 19 October where we actively listened to the demands from the unions and shared the reality of our gold operations with them.

We presented a revised offer which takes into account the fact that the cost of living increased over the past year and will continue to do so over the next three years.

Our offer below is fair and above the inflation rate of *3.6% in the past year.

**Period from 1 July 2020 to 30 June 2021*

Category 4 – 8 employees would receive the following increases to their basic wage:

| SIBANYE-STILLWATER | Year 1: | Year 2: | Year 3: |
|---|-----------------|-----------------|-----------------|
| Current offer for Category 4 - 8 | R480 per month | R570 per month | R600 per month |
| | +R40 LoA | +R40 LoA | +R40 LoA |
| | =R520 per month | =R610 per month | =R640 per month |

Miners, Artisans and Officials would receive the following increases to their basic wage:

| SIBANYE-STILLWATER | Year 1: | Year 2: | Year 3: |
|---|----------------|----------------|----------------|
| Current offer for Miners, Artisans and Officials | 4.1% per month | 4.7% per month | 4.7% per month |

We have also made proposals on other non-wage and process issues.

The offer means that not only will everyone's basic wage increase, but all the components that make up an employees' total cost to company will also increase.

In Rand terms, the offer means that over the next three years, the average total cost to company for Category 4 underground production employees will increase from R17,512 at the end of June 2021 to R19,670 by 1 July 2023.

It is also very important to remember that just like the cost of living has increased, so has the cost of doing business.

Wages and the cost of electricity, the two biggest components of our costs, have increased at rates well-above inflation since 2013. Over the past eight years:

- Electricity tariffs have increased by 132% compared to inflation which has increased by 53%. That's 79% above inflation.
- Today's total guaranteed income* I(R16,037) for an entry-level underground production employee has more than doubled in the last 8 years, when compared to actual salary level in 2012 from (R7,559).

** Basic Pay" + "Holiday Leave Allowance" + "Living Out Allowance" + "Provident fund"; excluding the service increment which differs from employee to employee based on the number of years' service*

At the same time, our gold operations are getting older and deeper and we cannot control the price we get for the gold we produce.

Our gold operations have to be sustainable so we can generate enough cash so that our gold business can continue to operate for as long as possible, provide you with employment, support communities, pay taxes and royalties to government and benefit all the other stakeholders.

An above-inflation wage increase will jeopardise the sustainability of our gold operations and directly impact all those stakeholders that depend on us.

As you consider the offer before we meet again with unions at the CCMA on 10 November, please consider our future.

Richard Cox

Executive Vice President: SA Gold Operations