

UPDATE ON GOLD WAGE NEGOTIATIONS:

19 NOVEMBER 2021

CCMA conciliation process continues – Sibanye-Stillwater tables conditional settlement offer

Dear Colleagues

The conciliation process with AMCU, the NUM, Solidarity and UASA in respect of wage negotiations at our gold operations continued on Thursday, 18 November under the auspices of the Commission for Conciliation, Mediation and Arbitration (CCMA).

In a further effort to reach common ground, we tabled a Conditional Offer for a period of three years. The offer takes into account the fact that the cost of living has increased and will ensure the sustainability of our gold operations.

The Conditional Offer was made on the basis that it is accepted by all four unions that form part of the coalition and will mean that:

- **Category 4 – 8 employees would receive an increase of R570 in year 1, R640 in year 2 and R670 in year 3 which includes a R40 increase in the Living Out Allowance each year.**
- **Miners, Artisans and Officials would receive an increase of 4.5% in year 1, 4.9% in year 2 and 4.9% in year 3.**

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

The offer means that over the next three years, the average *guaranteed income for entry-level Category 4 underground production employees who make up 29% of the total workforce would increase from R16,037 to R16,730 in year 1; R17,510 in year 2 and R18,326 in year 3.

* 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

As you know, all employees stand to make much more on top of their wages through performance bonuses.

Once we reach an agreement, the increase will be backdated to July. If the offer is accepted by the end of November, the backdated payment will be made before the Christmas break.

Should the Conditional Settlement Offer not be accepted, we will revert back to the offer made on 19 October 2021.

Colleagues, together we have worked hard to stabilise and extend the lives of the old Gold Fields operations since we acquired them in 2013. For five years we had solid operations, but we suffered severe disruptions in 2018 during the five-month strike which only ended in April 2019, and COVID also had a significant impact on our lives and livelihoods. Our operations have only recently stabilised and returned to normal and planned operating levels.

We have also had to manage huge cost pressures. Over the past eight years, the price of electricity alone, increased by 132%. That is 79% above inflation.

In making this Conditional Settlement Offer, we have carefully considered what our gold operations can afford. The offer will add R1.4 billion to our wage bill alone and does not include any of the concessions we have made in respect of non-wage demands.

Above-inflation wage increases or any operational disruptions will jeopardise the sustainability of our gold operations and will negatively impact the many stakeholders that depend on us.

We hope that you will give the offer serious consideration. If we do that, we can move forward and rebuild our operations. Only by working together can we ensure that our company and employees will benefit through performance bonuses.



Richard Cox

Executive Vice President:
SA Gold Operations



COMMITMENT



ACCOUNTABILITY



RESPECT



ENABLING



SAFETY