

UPDATE ON GOLD WAGE NEGOTIATIONS:

14 JANUARY 2021

Dear Colleagues

We welcome everyone back after the festive season and wish all our employees and their families a safe, healthy and productive year ahead.

Employees will be aware that we ended 2021 without being able to reach a resolution in respect of wage negotiations between the company and the union coalition.

Despite this, the company decided to pay employees back-pay for July, August, September, October, and November 2021 based on the current wage offer. This was because many employees had shared with us that they were counting on the wage settlement being reached before Christmas, and were depending on the increases for their families.

Many employees are the main breadwinners for their immediate and sometimes extended families, and many families and communities suffered during the COVID-19 pandemic. Also, South Africa's unemployment levels – particularly among youth – are also at a record high, and this has a very broad impact across our society.

Sadly, we have still not reached an agreement and so the Commission for Conciliation, Mediation and Arbitration (CCMA) has issued a certificate of non-resolution to all parties. This means that unions may embark on a strike and the company may embark on a lock-out. Both parties need to give the other party 48 hours' notice before starting either action.

Industrial action will have negative impacts on employees, the company and, our communities. And we know from experience that the losses that follow can never be made up.

We urge unions and employees to reconsider the company's offer. Our offer is fair, will benefit employees and considers the sustainability of our Gold operations and the many stakeholders that depend on them within the current economic circumstances.

Nonetheless, we respect the rights of employees to engage in industrial action and picketing should they choose to do so. It is very important that there is a clear understanding of

the picketing rules that have been approved by CCMA and agreed to by all parties. Should a notice of industrial action – a strike or lock-out – follow, then we will provide detailed guidance on this.

Picketing rules are in place to protect the health and safety of employees and communities, and to prevent acts of lawlessness, violence, intimidation or damage to property.

Thank you to our Essential Services colleagues who worked to sustain our business during the December break.

As a reminder, our current offer would mean that:

- Category 4 – 8 employees would receive an increase of **R520 per month** in year 1, **R610** per month in year 2 and **R640** per month in year 3, which includes a **R40** per month increase in the Living Out Allowance each year. This would mean that an average category 4-8 employee would be earning guaranteed pay of **R18,191** per month and a total average cost to company of **R19,670** per month by 2024 or R218,292 per annum and **R236,040** per annum respectively.
- Miners, Artisans and Officials would receive an increase of 4.1% in year 1, 4.7% in year 2 and 4.7% in year 3.

In closing, as we urge employees to reconsider our offer, we ask that we all engage respectfully and responsibly and do the best we can to stay safe and productive for all our sakes.



Richard Cox

Executive Vice President:
SA Gold Operations



COMMITMENT



ACCOUNTABILITY



RESPECT



ENABLING



SAFETY