

LONMIN WAGE AGREEMENT

Lonmin negotiates in a responsible manner with all recognised unions.

Key features of the agreement reached on 18 September 2012

- The agreement protects the integrity of our current wage agreement.
- The settlement is an addendum to the existing agreement (reached in December 2011).
- The addendum **does not replace the existing agreement.**
- It was facilitated by the CCMA and negotiated with full cooperation of our bargaining partners.
- As this was an extraordinary situation, all current unions namely National Union of Mineworkers, AMCU, Solidarity, and UASA as well as the employee' delegates, participated and were signatories to the agreement.
- Lonmin's wage bill is expected to rise by about 14% from 1 October 2012.

What this means for employees

- Total wage package increases are reflected on the following page.
- In addition to wage increases , general workers and Rock Drill Operators will be promoted to one level up.
- Rock Drill Operators will also receive a monthly drilling allowance.
- Workers will receive a **R2000 bonus**, which will be paid on or before 1 October 2012.

The way forward

- We are focused on restarting and ramping up production safely. **Safety is our main priority.**
- We have a first class asset and we continue to believe in the long term future for platinum.

LONMIN'S SIGNED OFFER

Underground rates including October 2012 increase

GRADE Underground rates	GROUP	CURRENT PAY	INCREASE	OFFER	PACKAGE INCREASE %
A3	General	R8164	R1447	R9611	18%
A4	Operator Winch/Loco	R8931	R952	R9883	11%
B1	RDO	R9063	R2015	R11078	22%
B3	Production Team Leader	R11818	R1204	R13022	10%

+ **R2000 once off** (before tax)

WAGE BREAKDOWN

As a percentage of total package (Underground rates)

Total Guaranteed Pay = basic + housing allowance + medical aid + provident fund + HLA

Excluding bonus

GRADE Underground rates	DRILLING ALLOWANCE	BASIC WAGES	HOUSING	MEDICAL	HOLIDAY	PENSION
A3	-	60%	20%	6%	5%	9%
A4	-	60%	20%	6%	5%	9%
B1 (RDOs)	7%	57%	17%	6%	5%	8%
B3	-	65%	15%	5%	5%	10%

+ **R2000 once off** (before tax)