

# **AGREEMENT**

between

## **THE MINERALS COUNCIL SOUTH AFRICA**

Acting on behalf of **VILLAGE MAIN REEF GROUP (PTY) LTD** in respect of the mines  
and operations listed in Annexure A hereto

(hereinafter referred to as the "Employer" or "Company")

and

## **ASSOCIATION OF MINEWORKERS AND CONSTRUCTION UNION (AMCU)**

and

## **THE NATIONAL UNION OF MINEWORKERS (NUM)**

and

## **SOLIDARITY**

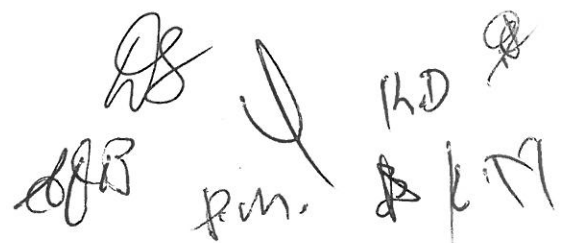
and

## **UASA – THE UNION (UASA)**

as principals and on behalf of their members as defined herein  
(hereinafter respectively referred to as "AMCU", "the NUM", Solidarity and "UASA")  
(collectively, the four unions will hereinafter be referred to as "Unions")  
(collectively, the Employer and Unions will hereinafter be referred to as "the Parties")

regarding

## **THE 2018 – 2021 REVIEW OF WAGES AND OTHER CONDITIONS OF EMPLOYMENT**

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*[Handwritten signatures and initials]*  
AB, P.M., K.D., B, 2, 17

## 1. APPLICATION OF THE AGREEMENT

This Agreement shall apply to the Employer as well as the Unions and their members who are employed in the Categories 4 to 8, Miners & Artisans and Officials recognition units by the Employer. This agreement shall ensure for the period 1 July 2018 to 30 June 2021.

## 2. WAGE OFFERS

2.1 The Company agrees to pay the following increases over the 3 (three) year period:

| Village Main Reef                    |                                                |                                                                         |                                                                         |
|--------------------------------------|------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                                      | Year 1                                         | Year 2                                                                  | Year 3                                                                  |
| Categories 4-8 surface & underground | R575 increase to standard rate of pay          | R575 increase to standard rate of pay                                   | R575 increase to standard rate of pay                                   |
| Miners, Artisans & Officials         | 4.25%                                          | CPI                                                                     | CPI                                                                     |
| *Officials B lower (B1-B4)           | R575 or 4.25% increase to standard rate of pay | R575 or CPI (whichever is the greater) increase to standard rate of pay | R575 or CPI (whichever is the greater) increase to standard rate of pay |

\*in the case of Officials B lower, the greater of the Rand value or the % increase will be affected as the increase in each applicable year, as the case may be.

2.2 Calculation of CPI for purposes of determining the increases on standard rate of pay to be implemented on 1 July 2019 and on 1 July 2020.

2.2.1 "CPI" is the Consumer Price Index, indicating monthly or annual headline consumer inflation rate published from time to time by

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3  
K.D.  
B.M.  
K.M.

Statistics South Africa (STATSSA) and broadly accepted as an economic inflation indicator.

2.2.2 For the purposes of the agreement CPI will be calculated as follows:

2.2.2.1 the average CPI rates provided by STATSSA for the months of July 2018 to June 2019 will constitute the CPI figure to be taken into account for any CPI linked increments that must be implemented from 1 July 2019.

2.2.2.2 the average CPI rates provided by STATSSA for the months of July 2019 to June 2020 will constitute the CPI figure to be taken into account for any CPI linked increments that must be implemented from 1 July 2020.

### **3. LIVING-OUT ALLOWANCE**

The Company will increase the current Living-out Allowance by R 100 (one hundred Rand) in year one, R50 (fifty Rand) in year two and R50 (fifty Rand) in year three to a maximum of R2300pm for the period of this agreement on 1 September of each year.

### **4. WELLNESS ISSUES**

#### **4.1 Medical incapacity benefit**

The Company agrees to incrementally increase the current minimum medical incapacity benefit of R 55 000 (fifty-five thousand Rand) to R 60 000 (SIXTY thousand Rand) over a 3 (three) year period as follows:

4.1.1 R 1 500 (one thousand five hundred Rand) on 1 July 2018;

4.1.2 R 1 500 (one thousand five hundred Rand) on 1 July 2019; and

4.1.3 R 2 000 (two thousand Rand) on 1 July 2020.

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- 4.2 The company agrees that employees who are in a Section 20 appeal process will remain in service until the appeal process is finalised.

#### **4.3 Medical aid contributions**

4.3.1 In the 2011 – 2013 Gold wage agreement the Companies agreed to change the medical aid contribution rates of 50/50 for the employer and individual employees to 60% (sixty percent) for the employer and 40% (forty percent) for Category 4-8 employees for a period of five years from the date of the wage agreement. This concession was extended to the 2015-2018 agreement.

4.3.2 The company will extend the concession with regard to the 60/40 split in respect of Category 4 – 8 employees joining a medical scheme, for the duration of this wage agreement.

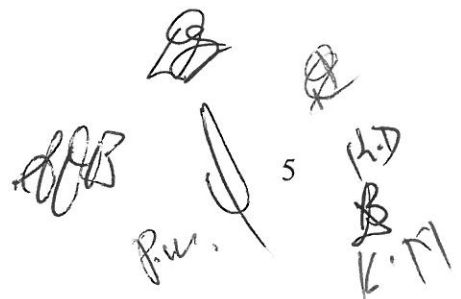
### **5. MATERNITY BENEFITS**

5.1 The company will give female employees four months fully paid maternity leave. The company offers to give female employees the option of spreading the four months paid maternity leave over a period of six months.

5.2 Where female employees are still experiencing delays in accessing the UIF maternity benefit, the company will, in consultation with the unions, approach the UIF to explore ways to facilitate the timeous processing of maternity benefit claims.

### **6. MINIMUM SEVERANCE PAY**

6.1 In the event of retrenchments, the Company agrees to pay severance pay of 2 (two) weeks' basic pay for each completed year of continuous service.

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6.2 The Company will incrementally increase the current guaranteed minimum severance pay of R 30 000 (thirty thousand Rand) to R 36 000 (thirty-six thousand Rand) over 3 (three) years as follows:

6.2.1 R 2 000 (two thousand Rand) from 1 July 2018;

6.2.2 A further R 2 000 (two thousand Rand) from 1 July 2019; and

6.2.3 A further R 2 000 (two thousand Rand) from 1 July 2020.

The company will continue to do everything in its power to avoid mass retrenchments where possible.

## **7. FUNERAL BENEFITS**

### **7.1 Category 4 – 8 - Mineworkers Provident Fund**

Within 30 days of the signing of the wage agreement, the Minerals Council will address a written request on behalf of the parties, to the Board of Trustees of the Mineworkers Provident Fund to consider a review of the current funeral benefit within the ambit of current premiums.

### **7.2 Miners, Artisans and Officials - RMA**

Within 30 days of the signing of the wage agreement, the Minerals Council, supported by the Company, will address a written proposal on behalf of the parties, to Rand Mutual Assurance (the RMA) to consider an increase to the funeral benefit. The possible models, permutations and frequency will form the subject matter of these engagements.

On receipt of the RMA review, the Minerals Council will convene a meeting of the parties to engage on the outcome of the review.

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**8. MEAL INTERVAL ALLOWANCE**

The Company will increase the current meal interval allowance of R100 (one hundred Rand), per month to R 120 (one hundred and twenty Rand) per month where it is paid.

**9. SERVICE INCREMENT FOR OFFICIALS**

The company agrees to a 0.5% annual service increment for Officials, as from 1 July 2019. The Company will engage at company level on the practical implementation.

**10. UPGRADE OF CATEGORY 4 SUPERVISORS**

The company agrees to upgrade Category 4 Supervisors to Category 5.

**11. HEALTH AND SAFETY / PRODUCTION BONUS LINK**

11.1 The Company will participate in any joint task team established by the Minerals Council and the Unions in order to consider whether there is any link between health and safety and the production bonus system.

11.2 The task team will meet after the signing of the wage agreement to conclude terms of reference that will regulate its work.

**12. MOURNING OF FATALITIES**

12.1 The company will ensure that its policies and practices regarding the mourning of fatalities are implemented and adhered to.

12.2 The company offers to provide one bus to transport co-workers to funerals of deceased employees resulting from a mine fatal accident.

**13. TRAVEL INSURANCE FOR EMPLOYEES**

Any employee travelling in company arranged transport or to company approved events will be insured.

*[Handwritten signatures and initials]*  
P.M. 7 K.D. F.I.

**14. CONTRACTORS**

The Company commits to the principle that contractors should comply with minimum conditions of employment legislation and where applicable, with sectoral determinations. Contractors will be required to comply with applicable legislation, including the Labour Relations Act (LRA), Basic Conditions of Employment Act (BCEA), Unemployment Insurance Act (UIA) and Mine Health and Safety Act (MHSA).

**15. DOUBLE HEADER LOCO OPERATORS AT KOPANANG MINE**

The company is prepared to upgrade all double header loco operators (wage code 04412) to Cat 8 underground employees.

**16. LOADER OPERATORS AT TAU LEKOA**

The loader operators will be paid the same basic pay as the loco operators.

**17. CALENDAR PREMIUM**

The company will continue to pay the Calendar Premium provided for in existing agreements at Kopanang Mine which it acquired from AngloGold Ashanti in terms of Section 197(6) of the Labour Relations Act.

**18. SHARE OPTION SCHEME (ESOP)**

The parties agree to the implementation of Share option scheme as per the four workplaces contained in Annexure A commencing with Kopanang Mine, whereby employees will be issued 8 (eight) percent of the company shares. This process will be completed by June 2019.

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pm.

## 19. GAIN SHARE SCHEME

The parties agree to the establishment of a working party consisting of representatives of the four workplaces contained in Annexure A in order to formalise a gain share scheme to be implemented by no later than December 2018.

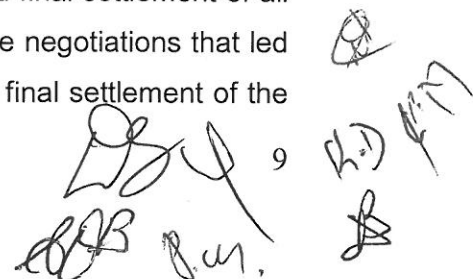
## 20. BASIC CONDITIONS OF EMPLOYMENT ACT 75 OF 1997 ("BCEA") / VARIATIONS

The Unions hereby pledge their support for an application by the Minerals Council on behalf of the Employer, for a determination to vary, for the period 1 October 2018 to 30 September 2021, the following provisions of the BCEA insofar as they apply to the Company:

- 20.1 section 12(2)(b) – variation to permit overtime of up to 10 (ten) hours per week, where ordinary hours of work are averaged;
- 20.2 section 14 – exclusion to the effect that employees in the Miners and Artisans and Officials recognition units who work underground and in processing plants, dispense with the meal interval on the basis that informal rest arrangements and opportunities to take sustenance are made, and existing meal arrangements with regards to employees in processing plants remain in place;
- 20.3 section 15(1)(a) – variation to permit periodic daily rest periods of less than 12 (twelve) hours, but not less than 8 (eight) hours, for the purpose of rapid shift changeovers; and
- 20.4 section 17(1) – variation to the effect that shifts commencing at or after 04h00 are not regarded as night work.

## 21. SETTLEMENT OF WAGES AND OTHER CONDITIONS OF EMPLOYMENT

- 21.1 This Agreement (including any Annexure hereto) will amend the existing terms and conditions of employment of the employees bound by this Agreement to the extent set out herein, and is entered into in full and final settlement of all demands and proposals made during the course of the negotiations that led to the conclusion of this Agreement, and is in full and final settlement of the

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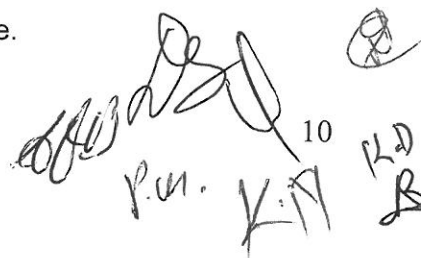
issues of wages, terms and conditions of employment and benefits, for the period from 1 July 2018 to 30 June 2021. Wages, conditions of employment and benefits that are not amended by this Agreement will continue to apply.

- 21.2 Subject to the provisions of this Agreement, no party to this agreement, or other person or entity bound by this Agreement shall, in respect of the period 1 July 2018 to 30 June 2021, seek to vary, review or negotiate wages and other terms and conditions of employment and benefits. The dispute referred to in Annexure B in respect of the Nicolor Plant is excluded from this clause.
- 21.3 No party to this Agreement or any other person or entity bound by it will call for, encourage, or participate in any strike or lock-out in respect of any demand having cost implications for the Company or in respect of any demand or proposal to amend wages, other conditions of employment or benefits for the duration of this Agreement (subject to Annexure B).
- 21.4 All parties to this Agreement as well as all other persons and entities bound by it will respect and adhere to this Agreement as well as to all other existing terms and conditions of employment and benefits. No one will endeavour to open negotiations on wages, terms and conditions of employment or benefits.
- 21.5 The Parties to this Agreement as well as all other parties and entities bound by this agreement will take such measures as may be reasonable, to ensure compliance with this clause 21.

## **22. DISPUTE SETTLEMENT PROCEDURES**

In the event of any dispute between a Union or Unions on the one hand, and the Company on the other (the parties to the dispute) about the interpretation, application or implementation of this agreement, including any Annexure hereto (excluding Annexure B), the following shall apply:

- 22.1 A Union or Company must formally declare a dispute in writing and submit this to the other party or parties to the dispute. The document must set out what issue or issues is/are in dispute. The parties shall then convene at least 3 (three) meetings in an attempt to resolve the dispute.



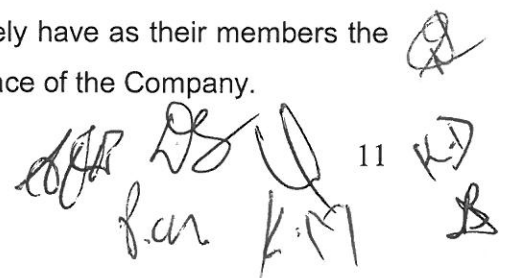
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- 22.2 Should the procedure mentioned in clause 22.1 fail to resolve the dispute, either party shall have the right to refer the dispute to conciliation by an agreed conciliator and if still unresolved, to arbitration by a single arbitrator agreed to by the parties.
- 22.3 Should the parties fail to agree on either a conciliator or arbitrator, either of them may request the Commission for Conciliation, Mediation and Arbitration to make a suitable appointment.
- 22.4 Should the issue in dispute between the Company and a Union also impact on other Union/s that are party to this agreement or bound by it, the Company shall be entitled to invite the other Unions to participate in this dispute resolution process. If the other unions accept this invitation they will become parties to the process.
- 22.5 The decision of the arbitrator will not be subject to appeal. The parties, however, will be entitled to exercise their right of review under the LRA. The Arbitration Act is excluded by agreement.
- 22.6 Each party to any conciliation or arbitration proceedings conducted in terms of this agreement will bear its own costs and will contribute equally to the costs of the conciliation and arbitration.

### **23. EXTENSION OF THE AGREEMENT**

- 23.1 The Minerals Council, acting on behalf of the Employer, and the Unions further agree that this Agreement shall, by virtue of the provisions of section 23(1)(d) of the Labour Relations Act 66 of 1995, as amended ("the LRA"), bind all other employees employed by the Employer, whether or not they are members of the Unions, who are employed in the abovementioned recognition units in the workplace of each respective employer, as defined in Annexure A hereto.
- 23.2 It is hereby recorded that the Unions collectively have as their members the majority of employees employed in the workplace of the Company.

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24. IMPLEMENTATION DATE

Unless otherwise stated, the wage increases and other changes to conditions of employment referred to in this Agreement and the Annexure hereto, will be implemented with effect from 1 July 2018.

Signed at JOHANNESBURG on this 4<sup>TH</sup> day of OCTOBER 2018

For and on behalf of NUM:

Name: K.D. SIPHOSU Signature: [Signature]

Name: [Signature] Signature: [Signature]

For and behalf of AMCU:

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

For and on behalf of UASA:

Name: Nico van Rooyen Signature: [Signature]

Name: André Benade Signature: [Signature]

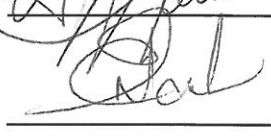
For and on behalf of SOLIDARITY:

Name: Dirk Francois Rheeder (come) Signature: [Signature]

Name: SARAH BURGER Signature: [Signature]

For and on behalf of the MINERALS COUNCIL SOUTH AFRICA acting on behalf  
of the Employer reflected in Annexure A

Name: M. MOTLHAMME Signature: 

Name: E. MARTIN Signature: 

  
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## ANNEXURE A

### **VILLAGE MAIN REEF Group (Pty) Ltd on behalf of:**

Kopanang Gold Mining Company (Pty) Ltd; Buffelsfontein Gold Mines (Pty) Ltd; Nicolor (Pty) Ltd; Tau Lekoa Gold Mining Company (Pty) Ltd.

It is agreed that the Mines and Operations of each Employer as described above each constitutes a separate workplace in respect of that Employer, for the purposes of section 23(1)(d) of the LRA.

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