

AGREEMENT

between

SISHEN IRON ORE COMPANY (PTY) LTD

(hereinafter referred to as "the Company")

and

SOLIDARITY

(hereinafter referred to as SOLIDARITY)

THE NATIONAL UNION OF MINeworkERS

(hereinafter referred to as NUM)

(Solidarity and the NUM collectively referred to as "the Unions")

(The Parties hereby agree and the Unions collectively referred to herein as "the Parties")

on

THE 2014/2015/2016 REVIEW PERIODS OF WAGES AND OTHER CONDITIONS OF EMPLOYMENT

The Parties hereby agree as follows:

1. APPLICATION OF THIS AGREEMENT

- 1.1 This Agreement will constitute a legal and binding collective agreement on wages and conditions of employment in terms of Section 23 of the 1995 Labour Relations Act (as amended) and shall apply to those members of the Unions and all other employees within the bargaining unit (gradings A/P/J/S 8 to 3) employed by The Company (hereinafter referred to as "employees").

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2. WAGE AND WAGE RELATED ALLOWANCES

2.1 The actual basic salaries of employees to be adjusted as follows:

Table 1: To be implemented 01 July 2014

| GRADE | GENERAL ADJUSTMENT PERCENTAGE | SPECIAL ADJUSTMENT PERCENTAGE | TOTAL ADJUSTMENT |
|----------|-------------------------------|-------------------------------|---------------------|
| A/P/J/S8 | Roll-up to A/P/J/S7 | | Roll-up to A/P/J/S7 |
| A/P/J/S7 | 10.0% | | 10.0% |
| A/P/J/S6 | 9.0% | | 9.0% |
| A/J/S5 | 8.5% | | 8.5% |
| P5 | 8.5% | 1% | 9.5% |
| A/S4 | 8.5% | | 8.5% |
| P4 | 8.5% | 1% | 9.5% |
| J4.1 | 8.5% | | 8.5% |
| J4.2 | 8.5% | | 8.5% |
| J4.3 | 8.5% | | 8.5% |
| A/P/S3 | 8.5% | | 8.5% |
| J3.1 | 8.5% | | 8.5% |

Table 2: To be implemented 01 July 2015

| GRADE | GENERAL ADJUSTMENT PERCENTAGE | SPECIAL ADJUSTMENT PERCENTAGE | TOTAL ADJUSTMENT |
|----------|-------------------------------|-------------------------------|------------------|
| A/P/J/S7 | 10.0% | | 10.0% |
| A/P/J/S6 | 9.0% | | 9.0% |
| A/J/S5 | 8.5% | | 8.5% |
| P5 | 8.5% | 1% | 9.5% |
| A/S4 | 8.5% | | 8.5% |
| P4 | 8.5% | 1% | 9.5% |
| J4.1 | 8.5% | | 8.5% |
| J4.2 | 8.5% | | 8.5% |
| J4.3 | 8.5% | | 8.5% |
| A/P/S3 | 8.5% | | 8.5% |
| J3.1 | 8.5% | | 8.5% |

Table 3: To be implemented 01 July 2016

| GRADE | GENERAL ADJUSTMENT PERCENTAGE | SPECIAL ADJUSTMENT PERCENTAGE | TOTAL ADJUSTMENT |
|----------|-------------------------------|-------------------------------|------------------|
| A/P/J/S7 | 9.0% | | 9.0% |
| A/P/J/S6 | 8.0% | | 8.0% |
| A/J/S5 | 7.5% | | 7.5% |
| P5 | 7.5% | 1% | 8.5% |
| A/S4 | 7.5% | | 7.5% |
| P4 | 7.5% | 1% | 8.5% |
| J4.1 | 7.5% | | 7.5% |
| J4.2 | 7.5% | | 7.5% |
| J4.3 | 7.5% | | 7.5% |
| A/P/S3 | 7.5% | | 7.5% |
| J3.1 | 7.5% | | 7.5% |

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2.1.1 The minimums of each grade and the adjustments therefore are reflected in Annexure A.

2.1.2 HOUSING ALLOWANCE

The Parties hereby agree that the minimum Housing Allowance is guaranteed per year and where the minimum is not applicable the housing allowance will adjust with the same percentage as basic salary for that specific level.

Table 5: Guaranteed Minimum Housing Allowance per year

| Year | 01 July 2014 | 01 July 2015 | 01 July 2016 |
|--------------------|--------------|--------------|--------------|
| Guaranteed Minimum | R1900 | R2300 | R2600 |

2.1.3 CIRCUMSTANTIAL ALLOWANCES

Shift, Standby, Seven-Day Production, Underground and Housing Allowances of employees in the Bargaining Unit are also to be adjusted with the same percentage as the General Adjustment to be applied to Basic Salaries.

2.1.4 BOILERMAKERS / PLATERS AND RIGGERS

The minimum entrance monthly salary for Platers, Boilermakers and Riggers will be R21 300 effective 01 July 2014.

2.1.5 OPERATORS AND PRODUCTION CONTROLLERS

Notwithstanding the provisions of paragraph 2.1 above, an additional 1 percent will be applied to the employment categories P5 and P4 for each year of this agreement.

2.1.6 MASTER ARTISANS

Notwithstanding the provisions of paragraph 2.1 above, an additional 1 percent will be applied to master artisans for each year of this agreement.

3. MULTI-YEAR AGREEMENT

The Parties hereby agree that Basic Salaries and Allowances of all employees in the Bargaining Unit (grading A/P/J/S 8 to 3) will adjust at 1 July 2015 with the same percentages as reflected in the table above or with CPI plus 1%, whichever is the highest percentage and 1 July 2016 with the same percentages as reflected in the table above or with CPI plus 1.5%, whichever is the highest percentage.



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4. EMPLOYER CONTRIBUTION TO RETIREMENT FUNDS

The Parties hereby agree for the employer contributions to the pension fund to increase with a guaranteed 0, 5% over four years taking the total employer contribution to the individual's pension fund from 10% to 12%. Implementation is as follows:

Table 4: Employer Pension Fund Contribution

| Year | 01 July 2014 | 01 July 2015 | 01 July 2016 | 01 July 2017 |
|---|--------------|--------------|--------------|--------------|
| Employer Contribution increase Per Annum | 0.5% | 0.5% | 0.5% | 0.5% |
| Compound Value of Employer Contribution Per Annum | 10.5% | 11.0% | 11.5% | 12% |

5. SAFETY PERFORMANCE INCREMENT

A 0.5% safety performance increment is applicable to operations that have achieved the zero harm targets and is applicable year on year for the duration of this agreement.

6. PHASING OUT OF APJS8

The Parties hereby agree to phase out the APJS8 level in the bargaining category and move all APJS8 level employees to the APJS7 level. All adjustments applicable to the APJS7 level will apply to these employees going forward.

7. ACTING ALLOWANCE

It is agreed by the Parties that acting allowance will increase from 10% to 12% for employees acting in higher level positions up to band GBF7 and below or pay the difference between the minimum salary of the acting grade position and the individual's salary, whichever is the greatest.

8. STANDBY CALL OUT OVERTIME HOURS

The Parties hereby agree to increase the guaranteed overtime hours from 1 hour to 2 hours provided that the work done on call out is at least 1 hour in duration. Thus a 3 hour overtime booking is guaranteed in this instance (1 hour travel time + 2 hours overtime).

9. PRODUCTIVITY IMPROVEMENT – REDUCTION OF ABSENTEEISM

The Parties hereby agree to work together on developing proposals to increase productivity and reduce absenteeism in the workplace.


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10. LONG SERVICE AWARDS

The Parties hereby agree to amend the current long service policy, by providing a long service gift at five year intervals. Details of the policy amendments will be communicated by no later than end January 2015

11. FAMILY RESPONSIBILITY LEAVE

A maximum of five days per leave cycle will be granted to an employee and for special circumstances specific requests must be submitted to the HR managers for consideration. Such request will not be unreasonably declined.

12. EXTENSION OF SICK LEAVE

In situations where an employee's leave is exhausted and application for the extension of sick leave can be submitted. Such application will not be unreasonably declined based on the on the medical prognoses of the individual for a full recovery.

13. ITEMS REFERRED TO WORK TEAMS

- I. Pension Fund Review
- II. Disability Management Process
- III. Medical Fund Service Provider (Review to commence in January 2015)
- IV. 860 and 960 Truck operators (Application of operators to be reviewed at Sishen Mine)
- V. Day shift working hours at Sishen Mine 45 Hours including lunch breaks (Implementation to be defined at mine level).

14. DISPUTE SETTLEMENT PROCEDURE


In the event of any dispute about the interpretation or application of this Agreement, the relevant provision of the agreed and governing Dispute Resolution Procedure will be followed.

15. FULL AND FINAL SETTLEMENT

15.1 This Agreement shall amend existing wages and other terms and conditions of employment of employees to the extent set out herein, and shall constitute the full and final settlement of any and all of the Unions' proposals and demands regarding the 2014, 2015 and 2016 review periods of wages and other conditions of employment.

15.2 All other conditions of employment not addressed in this Agreement will remain as is for the duration of this Agreement.



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16. IMPLEMENTATION DATE AND DURATION OF THIS AGREEMENT

16.1 The wage adjustment and other changes to conditions of employment referred to in this Agreement shall be implemented with effect from 2014-07-01.

16.2 This Agreement shall be valid and enforceable for the period 2014-07-01 to 2017-06-30 to all members of all unions that are signatories to this agreement, and other employees and all members of other unions who did not reach the thresholds for substantive representativeness at the commencement of the wage negotiation process as on 05 June 2014.

SIGNED AT Centurion..... ON THIS 30th DAY OF July..... 2014

For and on behalf of the Unions (all duly authorised to bind the Unions and individual members of the Unions)

.....
(Solidarity)

.....
Witness



.....
(The National Union of Mineworkers)

Ju Lebedakala.....
Witness
MC Nkomo

SIGNED AT Centurion..... ON THIS 30th DAY OF July..... 2014

on behalf of the company.



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Sishen Iron Ore Company (Pty) Ltd

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