

# 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

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

**+** **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

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

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