



AngloGold Ashanti
West Wits Operations

Social and Labour Plan: Report 2010

1 January 2010 to 31 December 2010

31 March 2011

I, the undersigned and duly authorised thereto by AngloGold Ashanti Limited (Company), confirm that all stated in this Social and Labour Plan Report 2010 is correct and true.

Signed at Potchefstroom on thisday of2011.

Signature :
Ian Heyns, Senior Vice President Human Resources and Sustainability

Approved By:

Signed at Potchefstroom on this 31 March day of 2011.

Signature :
Robbie Louis Lazare, Executive Vice President South African Region

Directors: T T Mboweni (Chairman) \ M Cutifani (Australian) (Chief Executive Officer) \ FB Arisman (American) R Gasant \ WA Naim \ Prof WL Nkuhlu \ F Ohene-Kena (Ghanaian) \ S M Pityana \ S Venkatakrisnan (British) / Company Secretary: L Eatwell

Scope of Our Engagement

We have completed our independent assurance engagement to enable us to express our limited assurance conclusions on selected subject matter contained in the Social and Labour Plan Report: West Wits 2010 ('Report'). The following subject matter reported in the Report were selected for an expression of limited assurance:

- Human Resources Development
- Employment Equity
- Mine Community and Rural Development
- Housing and Living Conditions
- Procurement
- Ownership
- Reporting

The criteria used are as set out by Section 46 of the Minerals and Petroleum Resources Development Act, 2002 (Act No.28 of 2002) ('MPRDA'), the Mineral and Petroleum Resources Development Regulations (Government Notice 527 in Government Gazette 26275 dated 23 April 2004) ('Regulations') and the Mining Sector's Broad- Based Socio-Economic Empowerment Charter for the South African Mining Industry ('Mining Charter') and Scorecard (as amended).

Our responsibility in performing our independent limited assurance engagement is to AngloGold Ashanti Limited only and in accordance with the terms of reference for this engagement as agreed with them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AngloGold Ashanti Limited, for our work, for this report, or for the conclusions we have reached.

Managements' Responsibility

AngloGold Ashanti Limited (the South Africa Region) under the auspices of the Executive Vice President: South Africa, is responsible to submit a detailed report on the implementation of the previous year's social and labour plan in this instance in respect of 2010 to the Department of Mineral Resources in accordance with the criteria set out in the MPRDA and Regulations, and in terms of the provisions of the Mining Charter and Scorecard (as amended from time to time).

This responsibility includes: designing, implementing and maintaining appropriate performance management and systems to record, monitor and improve the accuracy, completeness and reliability of the sustainability data and to ensure that the information and data reported to meet the requirements of the relevant criteria, and contains all relevant disclosures that could materially affect any of the conclusions drawn.

Assurance Provider's Responsibility

Our responsibility is to express our limited assurance conclusions on the reporting of the following elements: Human Resources Development, Employment Equity, Mine Community and Rural Development, Housing and Living Conditions, Procurement, Ownership and Reporting. Our independent limited assurance engagement was performed in accordance with the International Federation of Accountants' (IFACs) International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our engagements to obtain limited assurance regarding the Report.

Basis of Work and Limitations

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the subject matter and the purpose of our engagement. In making these assessments, we have considered internal control relevant to the entity's preparation and presentation of the Report and the information contained therein, in order to design procedures appropriate for gathering sufficient appropriate assurance evidence to determine that the information in the Report is not materially misstated or misleading

as set out in the summary of work performed below. Our assessment of relevant internal control is not for the purpose of expressing a conclusion on the effectiveness of the entity's internal controls.

We planned and performed our work to obtain all the information and explanations that we considered necessary to provide a basis for our limited assurance conclusions pertaining to the Report expressed below. We have no responsibility to update this report for events and circumstances occurring after the date of the report, nor will we perform any work in this regard.

Where a limited assurance conclusion is expressed, our evidence gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Our report does not extend to providing assurance on prior years' data nor in respect of future projections and targets.

Summary of Work Performed

Set out below is a summary of the procedures performed pertaining to the Report

- We interviewed key senior management to gain an understanding of the systems, processes, policies, guidelines, frameworks and approach to the relevant subject matter.
- We made such enquiries of management, employees and those responsible for the preparation of the Report, as we considered necessary.
- We inspected relevant supporting documentation and obtained such external confirmations and management representations, as we considered necessary for the purposes of our engagement.
- We tested accuracy of data (for the relevant subject matter) reported on a sample basis.

We believe that the evidence obtained as part of our assurance engagement, is sufficient and appropriate to provide a basis for our findings and our limited assurance conclusions expressed below.

Conclusions

Based on the work performed and subject to the limitations described above, nothing has come to our attention that causes us to believe that there are any errors that would materially affect the information contained in the Report.

Based on the work performed, nothing has come to our attention that causes us to believe that the disclosures in the Report, do not comply, in all material respects, with the disclosure requirements of the Legislation.



Ernst & Young Inc
Director – Alasdair Stewart
Registered Auditor
Chartered Accountant (SA)
Ernst & Young
52 Corlett Drive
Johannesburg
28 March 2011

DOCUMENT CONTROL	
Doc.Name:	AngloGold Ashanti South Africa Region: West Wits Area: Social and Labour Plan - Annual Report 2010
Doc. Ref:	WW-SLPRep2010
Revision No :	10
Date:	Jan 2011
Project Team:	Liz Lovick, Ian K Jacobs and Sheena Mangaroo-Pillay
Project Management:	Sheena Mangaroo-Pillay
Reviewed and Approved:	Ian K Jacobs and Ian Heyns
Authorised and Approved by:	Robbie L Lazare

Contents		
No:	Section:	Page No:
1	Executive Summary	6
2	Introduction	7
2.1	AngloGold Ashanti Vision, Mission and Values	8
3	Reporting, Monitoring and Evaluation	9
3.1	Reporting	9
3.2	Monitoring	9
3.3	Evaluation	9
4	Ownership	12
5	Housing and Living Conditions	12
5.1	Upgrading of Residences	13
5.2	Projects Completed at end of 2010 in the West Wits Area	13
5.3	Projects scheduled for 2011 in the West Wits Area	14
5.4	Redevelopment of Residences to Family Units	14
5.5	Promotion of Home Ownership	15
5.6	Nutrition	16
6	Procurement Progression Plan	18
6.1	Current Status Against Targets – Revised Mining Charter	18
6.2	Local Supplier Development Initiative	19
6.3	Five-Year Action Plan	21
7	Employment Equity	22
8	Human Resource Development Programme	25
8.1	Adult Basic Education and Training (ABET)	25
8.2	Mining: Community Training	31
8.3	Engineering (Portable Skills)	32
8.4	Internships and Bursaries	33
8.5	Hard to Fill Vacancies	34
8.6	Career Progression (Path) and Mentorship Plan	35
8.7	Financial Figures for Training and Development	38

Contents		
No:	Section:	Page No:
9	Mine Community Development	39
9.1	Local Economic Development Projects	39
9.2	Enterprise Development	44
9.3	Community Social Investment Spend	46
9.4	Social Leases	47
10	Beneficiation	48
11	Measures to Ameliorate the Impact of Downscaling and Retrenchments	48
11.1	Downscaling and Retrenchments during 2010	48
11.2	Section 189 of the Labour Relations Act, 66 of 1995 (LRA)	49
11.3	Section 52 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA)	49
11.4	Measures Undertaken to Ameliorate the Impact of Downscaling and Retrenchment	49
11.5	Establishment of a Future Forum	49
11.6	Steps undertaken to avoid job losses	50
11.7	Communication and Consultation with Stakeholders	50
11.8	Compliance with the Labour Relations Act	51
11.9	Compliance with Section 52 Of the MPRDA	51
11.10	Utilisation of the Training Lay-Off Scheme	51
13	Glossary Of Terms and Acronyms / Abbreviations	52

1. Executive Summary

This report is an outline of the progress made by AngloGold Ashanti (AGA) South Africa Region (SAR) in relation to the 2010 undertakings as contained in the 2010 to 2014 Social and Labour Plan (SLP). The annual report is submitted to the Department of Minerals and Research (DMR) in terms of paragraph 18 of the converted mining right for the West Wits operations.

The following elements are further detailed in this report:

- ▶ **Ownership** – AGA has achieved the mining charter target of 26% Historically Disadvantaged South African (HDSA) ownership that is set for 2014. The company currently stands at 26.8% HDSA ownership. The target for 2010 was 15%.
- ▶ **Housing and Living Conditions** – In the West Wits (WW) area, the conversion of residences to single room accommodation is 22% complete and the conversion of available family units is 55% complete which is further detailed in this report.
- ▶ **Procurement and Enterprise Development** – For 2010 the targets set were 5% for capital goods, 30% for services and 10% for consumable goods. In 2010 the company achieved 39% BEE spend on capital goods, 29% on services and 40% on consumer goods. While these achievements are encouraging against the 2010 targets, the company acknowledges that much work needs to be done in the area of BEE procurement spend on services so as to achieve the 70% target by 2014. A procurement progression plan, as detailed in this report, is in place to address reaching the targets for 2014.
- ▶ **Employment Equity** – During 2010, the company achieved the 2010 targets as set by the mining charter at all management levels as detailed in this report.
- ▶ **Human Resources Development (HRD)** – The mining charter sets a target for all mining houses to spend at least 3% of total annual payroll on HRD. Actual HRD spend during 2010 amounted to 5.1% of payroll.
- ▶ **Mine Community Development** – Although no specific targets are set for this pillar of the mining charter, AGA remains committed to implementing mine community development initiatives as per the guidelines of the charter and the company's commitments as stated in the SLP. Contained in this report are details of the mine community development initiatives undertaken by AGA during 2010.
- ▶ **Beneficiation** - Future reporting on beneficiation will be in consonance with the beneficiation framework expected to be released by the Department of Mineral Resources. This element of the revised mining charter will become effective from 2012 onwards.
- ▶ **Measures to Ameliorate the Impact of Downscaling and Retrenchments** – During 2010 the company did not dismiss employees based on operational requirements. Employees who were affected by rebasing and repositioning were integrated into the company's various business units. During April 2010, efforts were made to establish a Future Forum of which the establishment process would be finalised in first quarter of 2011.

A more detailed account of each pillar of the mining charter will be given in the sections that follow. The report ultimately highlights that the company has performed relatively well against the 2010 targets as set out in the mining charter.

2. Introduction

AGA is a leading global gold-mining company that acknowledges the purpose of the Mineral and Petroleum Resources Development (Act No 28 of 2002) (MPRDA), which among others is to transform the mining industries within South Africa.

AGA's West Wits operations are situated approximately 75km west of Johannesburg within Gauteng. The site is approximately 7km south of Carletonville. Other neighbouring towns are Fochville and Potchefstroom, which are situated 12 km and 50 km respectively to the south and west of the mine.

In order to ensure effective transformation and proper governance, AGA submitted its Five-Year Social and Labour Plan (SLP) 2010 to 2014 to the DMR on 31 August 2010. In this report we will give progress on the commitments made for 2010 in the Five-Year Social and Labour Plan (SLP).

The main objectives of AGA's SLP are to:

- ▶ Promote employment and advance the social and economic welfare of South Africans;
- ▶ Contribute to the transformation of the mining industry;
- ▶ Contribute towards the socio-economic development in our areas of operations and labour sending areas ; and
- ▶ Submit an annual report to the DMR on compliance.

Our code of ethics encourages us to create positive impacts in our communities of operations in terms of gender equality, initiative for social responsibility, ethical behaviour, environmental aspects, accountability, transparency, stakeholder engagement, good governance and norms of behavior internationally and nationally. To improve our understanding on sustainability development within communities, AGA hosts a biennial workshop that attracts all its global branches with the objective to share challenges within communities and to find solutions to improve this. We also train our personnel to help enhance the transformation process.

2.1. Vision, Mission and Values

Our vision

To be the leading mining company.

Our mission

We create value for our shareholders, our employees and our business and social partners through safely and responsibly exploring, mining and marketing our products. Our primary focus is gold and we will pursue value creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.

Our values



Safety is our first value.

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment ... **to care.**



We treat each other with dignity and respect.

We believe that individuals who are treated with respect, and who are entrusted to take responsibility respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others and we deal ethically with all of our business and social partners.



We value diversity.

We aim to be a global leader with the right people for the right jobs. We promote inclusion and teamwork, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.



We are accountable for our actions and undertake to deliver on our commitments.

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.



The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave host communities with a sustainable future.



We respect the environment.

We are committed to continually improving our processes in order to prevent pollution, minimize waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

3. Reporting, Monitoring and Evaluation

3.1. Reporting

Reporting to the DMR is done on an annual basis and is managed by the Vice President: Labour Relations, Sustainability and Employment Equity. These reports are in accordance with the company's financial year-end, reflecting expenditures and progress in accordance with the undertakings and obligations as set out in the SLP 2010 to 2014.

3.2. Monitoring

It is the accountability of the Vice President: Labour Relations, Sustainability and Employment Equity to ensure the implementation and success of the SLP 2010 to 2014 within AGA as a whole. AGA has compiled an Implementation plan for its Five year SLP obligations and commitments, which will be submitted to the DMR along with this report.

3.3. Evaluation

Reflected below is the scorecard showing our company progress as at 2010 year end.

Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry – West Wits Region

	Element	Description	Measure	Compliance Target by 2014	Compliance Target by 2010	Progress Achieved By				
						2010 Actual	2011	2012	2013	2014
1	Reporting	Has the company reported the level of compliance with the charter for the calendar year	Documentary proof of receipt from the department	Annually	Annually					
2	Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation	26%	15%	26%				
			Full shareholder rights	26%	15%	26%				

3	Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room.	Percentage reduction of occupancy rate towards 2014 target.	Occupancy rate of one person per room	Baseline	22%				
		Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units against units available for conversion	Family units established	Baseline	55%	*	*	*	*
		West Wits	Implement initiatives to facilitate home ownership eg. Preference surveys, advice on purchasing homes, training on benefits of home ownership	No target set	No target set	The company will set out to implement initiatives as recommended by the COM guideline document.				
4	Procurement & Enterprise Development	Procurement spent from BEE entity	Capital goods	40%	5%	39%				
			Services	70%	30%	29%				
			Consumable goods	50%	10%	40%				
		Multinational suppliers contribution to the social fund (New requirement of revised charter)	Annual spend on procurement from multinational suppliers	0.5% of procurement value	0.5% of procurement value	0.00%				
5	Employment Equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness. (Actuals adapted to correct any white female representation over 6%)	Top Management (F Band)	40%	20%	25%				
			Senior Management (E Band)	40%	20%	25.30 % ¹				
			Middle Management (D Band)	40%	30%	38.80% ²				
			Junior Management (C Band)	40%	40%	52.3% ³				
			Core Skills	40%	15%	51% ^{**}	**	**	**	**
6	Human Resource Development	Development of requisite skills, incl. support for South African based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excl. mandatory skills development levy)	5%	3%	5.1%				
7	Mine Community Development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects in line with IDP's of local and major labour sending municipalities	Up-to-date project implementation	Up-to-date project implementation	Implementation of projects will serve to enhance relationships amongst stakeholders leading to communities owing patronage to projects.				

8	Sustainable Development & Growth	Improvement of the industry's environmental management	Implementation of approved EMPs.	100%	100%	EMP compliance assessments every two years once approved. Submitted Dec 2009, awaiting approval. Detail contained in EMP.
		Improvement of the industry's mine health and safety performance	Dust levels	Dust - Personal dust monitoring to remain below 5% of exposure to 0.1mg/m ³	Dust - Personal dust monitoring to remain below 5% of exposure to 0.1mg/m ³	The dust levels are well in line achieving the 2008/2013 milestones.
			Noise levels	Noise in working places below 110dB(A)	Noise in working places below 110dB(A)	The noise levels are well in line achieving the 2008/2013 milestones.
			FIFR	FIFR - 0.04	FIFR - 0.08	The current SA Region FIFR of 0.16 is not in line with the Gold industry milestone. A Safety strategy for the SA Region is in place to enhance the milestone
		Utilisation of South African based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	100%	To be clarified
9	Beneficiation	Contribution of a mining company towards beneficiation (this measure is effective from 2012)	Additional production volume contributory to local value addition beyond the base-line	Section 26 of the MPRDA (percentage above baseline)	Section 26 of the MPRDA (percentage above baseline)	To be clarified

Legend

	Target not achieved but action plan is in place
	At risk of Non Compliance.AGA has plan is in place to address this.
	Compliance almost achieved
	Compliance achieved
*	Family Units: No specific targets set by the Mining Charter. We have measured ourselves on actual units converted against total units available for conversion
**	Clarity regarding definition of core skills is required. AGA definition is all employees with core positions within Mining, Engineering, MRM and Metallurgy disciplines.
1	26.1% HDSA representation at Senior Management level.If we take into account the EAP of White females(6%),HDSA representation remains at 25.3%
2	47.9% HDSA representation at Middle management level. If we take into account the EAP of White females(6%),HDSA representation is 38.8%
3	56.6% HDSA representation at this level If we take into account the EAP of White females(6%),HDSA representation is 52.3%
Note	Female representaion in the workforce currently stands at 12.14% against the previous charter target of 10%

4. Ownership

The revised Mining Charter sets an Ownership Target of 15% HDSA Ownership by 2010 and 26% HDSA Ownership by 2014. Through a combination of ownership transactions with ARM Gold, Bokamoso ESOP and Izingwe Holdings the company has achieved 26.8% HDSA ownership.

5. Housing and Living Conditions

AGA provides its employees with variety of accommodation options managed by its Properties Department. Housing forums within the WW licensed area are in operation. Management and stakeholder representatives engage and interact concerning housing and accommodation issues. A central Housing / Accommodation Forum also reinforces interaction on housing and issues pertaining to living conditions.

Considerable progress has been achieved in setting up projects, meetings and agreed targets, thereby ensuring that the sustainability of housing, accommodation and living conditions are in line with the objectives of the mining charter. In order to further improve on the housing options for AGA employees, the company and organised labour are conducting a survey to ascertain accommodation preferences and needs of employees.

This initiative is aimed at bolstering the findings of a similar survey conducted in 2004 by Johann Vorster and Associates. It is important to note that the results of the 2004 survey indicated that 33% preferred to stay in mine married accommodation, 33% preferred to become home owners and 33% preferred to stay in the residence.

The following accommodation options are provided in the West Wits area:

- ▶ Boarding houses that provide accommodation facilities to 294 single employees (Wedela Single Quarters 54 and West Rand Training Unit 240).
- ▶ Residences that provide full accommodation to 6 096 single employees. 2812 Privacy room conversions have been completed YTD for AGA (this includes WW & VR).
- ▶ Attached to the residences are 149 visiting wives units.
- ▶ 2 125 family accommodation units located in municipal areas and mining areas.

- ▶ **Living Out Allowance (LOA) is paid as part of remuneration to:**
 - 2 270 employees in the Group 3-8, including AngloGold Ashanti Health Service
 - 1 153 employees in the B-Paterson band.
 - 814 employees in the C-Paterson band
 - 157 employees in the D-Paterson band
 - 20 employees in the E-Paterson band
- ▶ **A total value of R74.38 million for LOA was paid out to 4 414 employees in 2010.**

5.1. Upgrading of Residences

The following progress was made with the upgrading of residences, as agreed in the various consultation forums. These initiatives form the strategic basis for the upgrading of residence:

- ▶ Reduction of high-density residences to single rooms was achieved and increased levels of privacy are pursued through the redevelopment of communal accommodation units into private rooms. Redevelopment work started in 2005.
- ▶ In 2010, a total amount of R8.67 million was spent to create an additional 192 privacy rooms.
- ▶ To date 1 274 single rooms have been developed at an estimated cost of R40.74 million. The revised plan to convert communal rooms into private rooms is scheduled to be completed by 2014 in order to comply with the mining charter.

5.2. Projects Completed at end of 2010 in the West Wits Area

- ▶ 84 rooms at Numba Wani Residence = R2 992 280.60
 - ▶ 108 rooms at Motebong Residence = R5 679 143.07
- Total for 192 rooms in 2010 = R 8 671 424.00**

5.3. Projects scheduled for 2011 in the West Wits Area

The following privacy and upgrading projects are scheduled for 2011 to create additional privacy rooms:

- ▶ 524 rooms at Numba Wani Residence = R15 326 537
- ▶ 277 rooms at Motebong Residence = R 5 773 466
- ▶ 156 rooms at Ntsonolanga Residence = R2 989 831

Total of 957 rooms for 2011 = R 24 089 834

5.4. Redevelopment of Residences to Family Units

As part of AGA's redevelopment plan, a process has been undertaken to identify potential projects for re-development and for the conversion of redundant residences into family unit accommodation.

The following progress has been achieved to date:

- ▶ 2005 to 2008 - 4 blocks redeveloped at Ekhayalihle Residence at a cost of R18. 03 million, 208 units are completed.
- ▶ During 2010 no funds were made available for redevelopment of the last three blocks of Ekhayalihle Residence. However, a new plan has been submitted for approval to have the balance of Ekhayalihle redeveloped by 2013. Plan as per table below.

Ekhayalihle

Year	Block Number	Number of units	Estimated Costs
2011	1	56	R9.90 million
2012	2	56	R10.92 million
2013	3	56	R11.38 million

5.5. Promotion of Home Ownership

The Mineworker's Provident Fund Home Loan Scheme was introduced in 1998 to enable employees to use the equity in the fund to facilitate home ownership. Although substantial sums have been loaned, very little – if any – improvement or additional accommodation resulted from this initiative.

AGA's drive to promote home ownership includes the following actions:

- ▶ During 2002, accommodation assistance payments were increased for all levels of employment. Subsequent increases have been negotiated as part of the wage negotiations process.
- ▶ **The current LOA are as follows:**
 - Group 3-8 = R1 400
 - B-Lower to B-Upper = R1 400
 - C-Lower to C-Upper = R1 500
 - D-Lower = R1 600
 - D-Upper = R1 900
 - E-Lower = R2 300
 - E-Upper = R3 100

A variety of home ownership schemes are currently under investigation in order to achieve the following:

- ▶ Affordability to all employees.
- ▶ Determining the level of demand (through a survey to be conducted during 2011) by the current labour force.
- ▶ Opportunities within the municipal areas in which AGA operates.
- ▶ Housing development projects in the areas adjacent and in close proximity of AGA operations viz. Fochville / Carletonville. Details of this project appear in this report.
- ▶ Relationships and / or agreements are in place with financial institutions to provide access to funding, where appropriate company accommodation (which is not strategic stock) may be made available for purchase by employees.
- ▶ Available land owned by the company is also made available to employees and to municipalities for purposes of promoting home ownership.
- ▶ A process (which commenced during 2010) is also underway to design a housing / accommodation model that would encompass a number of housing / accommodations streams including home ownership.

5.6. Nutrition

AGA currently provides employees who choose to make use of our facility with 17 920 kilojoules per person per day as part of the catering menu. This is in excess of the Chamber of Mines' benchmark which is 13 000 kilojoules per person per day. Nutritional levels are monitored by a qualified consultant, Ms. E Bredenhann. The implementation of a new menu is in place.

Measures to address nutrition at residences:

AGA regularly carries out dietary analysis of menus to ascertain that it adequately caters for the energy and nutritional requirements of workers. The Chamber of Mines Research Organisation (COMRO) reference report no 11/91 was used to establish the energy requirements of underground workers. Other internationally recognised measures such as the Daily Recommended Intake (DRI) and equations such as the Harris Benedict equation are utilised and applied. Listed in the table below is the kJ intake per work category.

Work Category	Moderate Light Work	Moderate Work	Moderate Hard Work	Hard Work
Energy expenditure	12000kJ	13000kJ	14000kJ	15000kJ
Examples of workers	Electrician Mine overseer Loco Crew	Equipping team Team leader Miner assistant Cleaning team	Loader driver Winch driver Stope team	Driller Drill assistant

The diet plan includes a list of food groups incorporated in each meal as opposed to a menu, which is a list of specific dishes served at each meal. AGA ensures that the correct numbers of balanced meals are served, as well as serving the appropriate food groups at each meal. Currently all AGA residences serve three meals per day. A mid-shift supplement is also available to all underground workers (Morvite / Go Ahead Cereal).

Food and nutritional evaluation: Consumption and participation per person is measured. This procedure is maintained by a registered dietician. The following minimum criteria are used to evaluate the food and nutritional intake:

Daily Recommended Intake

	Minimum criteria per person	Source
Energy (kJ)	13000	COMRO 11/91
Carbohydrate (g)	500	DRI
Protein (g)	130	DRI
Fat (g)	62	DRI
Vitamin C (mg)	250	SA Mine recommendation
Vitamin A (IU)	1000	DRI
Calcium	1000	DRI

An external facilitator offers skills training to catering staff to ensure skills competency. On the job training in food preparation and hygiene management is ongoing. In order to minimise menu fatigue and accommodate customer preferences, meetings are held with worker representative structures with the aim of incorporating proposals from the resident's into the menu.

6. Procurement Progression Plan

AGA treats HDSA companies as preferred suppliers in that BEE compliant companies receive preferred status in winning contracts, should they be commercially competitive. The company has identified current levels of procurement from HDSA companies in terms of capital goods, consumables and services; increasing the amount of procurement spend from HDSA suppliers over the past year. The company has developed a programme to progressively increase the sourcing of goods and services from HDSA companies, with annual targets set for the next five years (2010 to 2014) as can be seen in the table below.

6.1. Current Status against Targets – Revised Mining Charter

The overall BEE level is at **36%** compared to the **29.81%** reported in the previous year. The following table depicts AGA's performance, as well as the next four year's progression plan against the revised mining charter targets:

Categories	Compliance Target					Current Status	Weighting
	2010	2011	2012	2013	2014	2010	
Capital	5%	10%	20%	30%	40%	39%	5%
Services	30%	40%	50%	60%	70%	29%	5%
Consumables	10%	15%	25%	40%	50%	40%	2%
Multinational Contribution	0.5%	0.5%	0.5%	0.5%	0.5%		3%

An analysis of the BEE procurement spending reveals that there has been significant increase in the spending with BEE entities. Our current BEE spend for 2010 is R1.9 billion compared to the R1.4 billion reported in 2009, as can be seen in table below. This can be attributed to the work done to increase the number of compliance among our traditional suppliers and the identification of new BEE suppliers.

Year	Consumables	Services	Capital	Total
2005	R556.9m	R217.7m	R113.2m	R0,887.8m
2006	R661.5m	R158.5m	R268.8m	R1 088.8m
2007	R699.3m	R394.6m	R268.3m	R1 362.2m
2008	R788,4m	R423,9m	R258,4m	R1 470.7m
2009	R864,9m	R248,1m	R342,9m	R1 456.0m
2010	R1,010.8m	R654.5m	R241.3m	R1,906.6m

6.2. Local Supplier Development Initiative

AGA supports the need to provide active support to local Black Owned and Black Women Owned suppliers who are participating or may potentially participate in our supply chain. With this in mind, AGA has embarked on the development of Enterprise and Supply Incubator Support Centres (Business Development Park) aimed at providing both the management and technical support, through for example on-going skills transfer and business advice, that these suppliers need to operate more efficiently and profitably. AGA also aims to assist local suppliers to improve their quality and performance by way of introducing such suppliers to well recognised and established contractors.

Merafong Contractors' Forum

- ▶ AGA's Properties Department began the process of engaging local BEE contractors in 2009.
- ▶ AGA engaged the Merafong Contractors Forum and began a process of consultation with their members.
- ▶ AGA's Properties management decided to source the services of a plumber, bath renovators and fencing contractors.

Projects Completed

Company	Services	Amount Spent	Contact Person	Contact Details	Address
Molatsana Business Enterprises	Residence and Housing Maintenance	R1 350 139	Thabo Ramathebe	072 362 6719	PO Box 6014, Oberholzer
Excellent 58 CC	Residence and Housing Maintenance	R1 183 463	Andrew D Goliath	083 640 0282	7 Onyx Road, Carletonville

Planned Projects:

► Residential Developments

- Egoli Property Development selected to construct residential units on land owned by AGA **(R54 million)**
- Egoli has committed to engage the Merafong Contractors Forum to procure labour and other services. These conditions are still being finalised and will be included in the contract.

► Capital Projects (2011 – 2013)

- AGA has committed to spend capital for the conversion of current residential quarters to the privacy concept **(R24 million)**.
- AGA plans to break down the work into detail e.g. demolitions, painting, plumbing and electrical. This would ensure that the emerging contractor base can have an opportunity to provide their services and would not create any difficulties for them in so far as the provision of guarantees etc.

6.3. Five-Year Action Plan

The following action items as indicated in the table below have been identified to progress the attainment of the BEE targets:

ACTION ITEMS	Status	2010		2011	2012	2013	2014
		Q3	Q4				
BEE Administration Activities							
1. Revamp Preferential Procurement Strategy and Policy documents	100%						
2. Appoint a 'Preferential Procurement Champion' to focus exclusively on BEE	100%						
3. Train all procurement staff on BEE requirements and change procurement practices	100%						
4. Complete the collation of BEE certificates and establish supplier compliance status	100%						
5. Review practices to facilitate compliance with applicable standards (e.g. AGA Supplier Standards)			Ongoing Activity				
Short Term Compliance Activities							
1. Focus on Top 100 non-compliant suppliers (workshop to encourage them to become compliant)	60%						
2. Specific focus to drive procurement from local BO / BWO suppliers to increase participation							
3. Actively participate in local government structures or business forums to identify new suppliers	100%	Ongoing Activity					
4. Commodity procurement teams to be targeted to include BEE in their strategic procurement initiatives	50%						
Medium to Long Term Compliance Activities							
1. Identify alternative suppliers where compliance is not possible							
2. Conduct face to face meetings and send written communications to suppliers that are not compliant	60%		Ongoing Activity				
3. Match the AGA demand for goods and services with the ability of local businesses to meet that demand							
4. Engage in local Supplier Development activities through the development of a Supplier Park/Business development park (e.g. Early Payment, Management Support, Identifying Markets and facilitating AGA contract)	30%						

7. Employment Equity

This section focuses on progress made by the South African operations with special reference to Employment Equity (EE) targets. In June 2010 AGA's Five-Year EE Plan, which is aligned to the EE targets as set out in the revised mining charter, was approved by the Department of Labour (DoL). In 2009, AGA employed the services of a consultant to carry out a Section 19 Audit as required by the EE Act. The purpose of the audit was to identify barriers to EE within AGA and inform the EE Implementation Plan.

The following issues were identified as a result of the Section 19 Audit:

- ▶ Imbalances in representivity of HDSAs in top and senior management, low representivity of females in core mining functions, as well as low representation of Coloureds and Indians across the workforce.
- ▶ Steps should be taken to create an environment that is conducive to the employment of women.
- ▶ Capacity of EE and Skills Development Committees should be developed.
- ▶ Communication about EE should be intensified.
- ▶ Further attention needs to be given to training, appointments and retention of skills.
- ▶ Steps should be taken to move beyond the Five-Year EE Plan.
- ▶ EE should be integrated into the business.

Business units within the SAR were tasked to formulate action plans aimed at addressing these issues. Business units were informed that their action plans should be aligned to the company-wide transformation initiative - known as "ONE" – in order to ensure that EE objectives are addressed in the same manner as all other business objectives and entails:

- ▶ Setting objectives.
- ▶ Putting plans and targets in place.
- ▶ Establishing structures and processes to monitor and evaluate the achievement of targets.
- ▶ Reviewing plans and targets periodically to ensure that they are aligned to business objectives.

EE progress is monitored on a monthly basis at the Business Units by the Business Unit EE Committees. It is also the task of these EE Committees to communicate all relevant EE information with their respective workforces. At a company-wide level, two monitoring structures have been established to monitor EE progress and broader transformation on a quarterly basis.

The table below reflects the profile of AngloGold Ashanti's Top Management level

Patterson	Occupational Levels	Designated							Non-Designated			Total	Current % HDSA	2010 Target %	2014 Goal %
		Male			Female				White Male	Foreign Nationals					
		A	C	I	A	C	I	W	White	Male	Female				
F Band	Top Management	1	0	0	1	0	0	0	3	3	0	8	25.0%	22.2%	30.0%

Top Management comprises eight executives, of which two are HDSAs. Therefore the company has achieved a 25% HDSA representation at this level.

The table below reflects the employee profile of the West Wits Area

Patterson	Occupational Levels	Designated							Non-Designated			Total	Current % HDSA	2010 Target %	2014 Goal %
		Male			Female				White Male	Foreign Nationals					
		A	C	I	A	C	I	W	White	Male	Female				
E Band	Senior Management	5	3	6	1	1	1	6	60	5		88	26.1%	25.6%	40.4%
D Band	Professionally qualified management	69	10	18	27	4	6	62	202	7	4	409	47.9%	46.0%	56.5%
C Band	Skilled technical superintendents	784	17	0	159	12	4	216	759	154	2	2107	56.6%	54.7%	63.7%
B Band	Semi-skilled decision making	429	1	2	282	7		89	37	48	2	897	90.3%	61.3%	66.8%
A Band	Unskilled and defined decision making	5267	30		661	2		2	36	3433	16	9447	63.1%	67.3%	70.5%
	Total Permanent	6554	61	26	1130	26	11	375	1094	3647	24	12948	63.2%	62.9%	67.8%
	Non-permanent employees	11			3			8	14		1	37			
	TOTAL	6565	61	26	1133	26	11	383	1108	3647	25	12985			

The table below indicates how the West Wits Area compared against the revised mining charter targets.

Occupational Level	Patterson Level	2010 Mining Charter Target	2010 West Wits Actual
Senior Management	E Band	20%	25.30%
Middle Management	D Band	30%	38.80%
Junior Management	C Band	40%	52.30%
Core Skills	N/A	15%	51.00%

Operations in the West Wits area have managed to achieve and exceed the 2010 EE targets with respect to HDSA representation as set by the mining charter. It is important to note that in reporting the West Wits actual figures, as reflected in the table above, the company adhered to the Chamber of Mines (COM) Guideline of attributing the white female contribution to total HDSA figures to a maximum of 6%, as white females represent approximately 6% of the Economically Active Population (EAP). Had the company not followed this guideline, HDSA figures would have been higher as per employee profile table above. While AGA is reasonably satisfied with the 2010 EE achievements in the West Wits area, the company is aware that much work is necessary to ensure that we achieve the 2014 targets.

Note: Please note Form S in annexured to this report.

8. Human Resource Development Programme

AGA's objective of human resource development is to ensure specific skills and competencies of its workforce, as well as equipping employees and communities with portable skills so that they may be self-sustainable after life of mine. The company will also ensure that employees are functionally literate and numerate so as to allow personal growth and transformation within South Africa as a whole. AGA believes that education breeds success, confidence, dignity and self worth.

8.1. Adult Basic Education and Training (ABET)

During 2010, the following ABET programmes were presented in the West Wits area:

- ▶ **Part-Time ABET available for all employees in their own time.**
 - Pre-ABET, ABET 1 to 3;
 - National Certificate: Introduction to the Mining and Minerals Sector (NQF 1); and
 - NQF 2 Fundamentals.
- ▶ **Full-Time ABET for candidates who have been identified for career advancement:**
 - NQF 1 and
 - NQF 2 Fundamentals.
- ▶ **Recognition of Prior Learning:**
 - Pre-ABET, ABET 1 to 3;
- ▶ **Community ABET available in the Merafong:**
 - Pre-ABET, ABET 1 to 3;
 - NQF 1; and
 - NQF 2 Fundamentals.

► **Foundational Learning Competence (FLC):**

- This foundational learning required for entering a training programme leading to an occupational award as legislated through the Quality Council for Trades and Occupations (QTCO) is due for implementation during 2011. Whilst waiting for the QTCO and Mine Qualifications Authority (MQA) to implement this programme; AGA has ensured during 2010 that the company is ready to implement the FLC as follows:
 - Six ABET facilitators (WW & VR) were trained in terms of the FLC through the MQA.
 - Measures have been taken to benchmark our ABET standard and the standard of our ABET facilities to ensure that we will receive accreditation through the Independent Examinations Board (IEB).
 - As the FLC is aimed at providing learners with the fundamental competence in communication and mathematical literacy, the NQF level 2 fundamentals will be discontinued from 2011 onwards.

► **National Career Oriented Qualifications (N1 to N3):**

- Whereas ABET provides the fundamental conceptual foundation towards life-long learning and development, the Nated courses provide the underpinning theoretical knowledge required for apprenticeships and the learner artisan route.
- Nated courses such as N1 to N3 have been introduced from the first quarter of 2010 in partnership with the WestCol Technical College in the West Wits Area. The college is responsible for the provision and accreditation of the curriculum, learning material and facilitators, while AGA supplies the venues and learners as an extension of the ABET service provided at the ABET centres. During 2010; 108 individuals enrolled for N1 and 79 for N2 in the West Wits area.

► **Recognition of Prior Learning (RPL):**

- The RLP process compliments our ABET initiatives by verifying the literacy profile of the company and providing opportunities for employees to enroll in ABET classes where necessary.
- During 2010, **475 employees** in the West Wits area enrolled for ABET through the RPL process. A **pass rate of 71.8%** (AGA employees only) was achieved.
- RPL Statistics for 2010 are reflected in the table below:

West Wits	Enrolled	Written	Passed	% PASS
Pre-ABET	182	182	74	40.7%
ABET 1	136	136	136	100.0%
ABET 2	97	97	97	100.0%
ABET 3	60	60	34	56.7%
NQF L1	0	0	0	0%
TOTAL	475	475	341	71.8%

▶ **During 2010 the following measures were taken to ensure that our employees know that ABET education is available:**

- A Skills Development Structure, which discusses related issues such as marketing, is in place to promote and support the delivery of ABET.
- ABET posters are placed on selected notice boards to invite employees to take part in the initiative.
- At business unit level, there are Skills Development Committees where ABET is a standard agenda point with the NUM as prime stakeholder.
- Graduation ceremonies and numerous marketing campaigns are held at the business units as well as in the residences. Employees are made aware that successful completion of ABET training enhances promotional opportunities, as well as that it gives them the prospect of getting enrolled in skills programmes or learnerships.
- Organised labour is a key partner in the successful execution of adult basic education. Their role is mainly that of marketing ABET to their constituents by demonstrating the benefits of attending basic education and the eradication of illiteracy programmes.
- Monthly ABET forum meetings take place between the ABET center staff, business unit stakeholders and organised labour to ensure that ABET initiatives are optimised.
- A newsletter for ABET has been created and is distributed on a quarterly basis. The first issue was released during the fourth quarter of 2010. Posters and pamphlets were distributed within the surrounding communities to inform them about the community ABET opportunities on offer.

▶ **Adult Literacy and Numeracy:**

- AGA regards any person with an ABET 3 or higher as being functionally literate. By the end of 2010, **49.84%** of employees in WW had an ABET 3 or higher education.

▶ **The following strategies will assist to further improve literacy levels:**

- The company's recruitment strategy, such as to appoint local novices with minimum ABET qualifications and who are conversant in English.
- Return from leave RPL process to confirm or provide individuals with qualifications where possible, as well as to motivate those who do not have qualifications to enroll for ABET. This process will be intensified during 2011 through road shows to each business unit so that it can be phased out by the end of 2011.
- It is our target to provide ABET education to at least 10% of employees who do not have an ABET 3 or higher on an annual basis.
- Road shows will take place during 2011 to confirm the qualifications of higher level employees where these are outstanding.

► **Computer Training and Life Skills:**

- During 2010, planning commenced to introduce computer and life skills training to ABET learners in addition to ABET education to ensure that the learners are better prepared for the world of work. Computers are being installed and training will commence along with the first ABET intake of 2011.

► **ABET targets and actuals:**

- The strategy of AGA is to eliminate illiteracy through ABET. The current literacy level in the company is used as the basis for setting the ABET targets. The plan is to educate 10% of employees who have an ABET 3 or lower each year.
- For AGA as a whole, we planned to enrol 1 248 individuals and the actual was 1 340 (361 West Wits and 979 Vaal River), indicating that the company exceeded the overall target.
- The table below reflects the target vs actual for ABET classroom education during 2010 in the West Wits area. Non-achievement of the plan was a direct result of the temporary TauTona closure, which had a negative affect on the first ABET intake during 2010.

ABET Targets and Intakes – West Wits (Merafong)			
TOTAL ABET	Target '10	Actual '10	Target '11
NQF 2 Fundamentals	40	62	0
NQF 1	118	76	118
FLC	0	0	118
ABET 3	168	91	150
ABET 2	127	68	111
ABET 1	68	50	62
Pre-ABET	103	14	88
TOTAL	624	361	647

(Source – ABET Database for Actuals – Five-Year Social and Labour Plan for Targets)

► **Community ABET:**

- In the West Wits area, ABET is being provided to members of the community at Wedela. AGA has set an annual target of educating 200 community members.
- During 2010, **154** members of the community in the West Wits area took advantage of the opportunity to do ABET. Of this group **125** wrote exams and **118** passed. The actual is lower than the target as reflected in the table below owing to the following reasons:
 - FLC not introduced yet.

- Lower enrolment for NQF level 1 since learners with ABET 3 had greater opportunities to seek employment in the mining industry.
- Lower enrolment of ABET 1 owing to the level of literacy improving in the community.

The table below reflects the Community ABET Statistics for 2010 – West Wits area

Community ABET	Target '10	Actual '10	Target '11
NQF 2 Fundamentals	0	11	0
NQF 1	70	35	70
FLC	30	0	30
ABET 3	50	51	50
ABET 2	30	52	30
ABET 1	20	5	20
Pre-ABET	0	0	0
TOTAL	200	154	200

(Source – ABET Database for Actuals – Five-Year Social and Labour Plan for Targets)

The table below depicts progress on the project plan as indicated in the SLP 2010 to 2014.

ABET Milestones - 2010 – 2014				
Task / Project Description	Key Deliverables	Start Date	Finish Date	Progress
Implementation of FLC, discontinuation of NQF 1 full qualification and NQF 2	Implementation completed by 2011.	2010	2011	Awaiting go-ahead from the MQA, FLC is currently under review. NQF 2 is being discontinued from 2011 onwards.
Improvement of literacy levels for individuals with ABET 2 or less	10% improvement year-on-year.	2010	2014	The 10% target for providing individuals with ABET 2 or less with ABET education was not met in the West Wits Area. This is attributed to the negative effect that the Tau Tona Mine closure, from late 2009 through to 2010, had on ABET enrolments in the West Wits area.
Improvement of pass rates	2% year-on-year improvement.	2010	2014	The pass rate for classroom training in the West Wits area was 82% (incl Community) and for RPL 76.8% (Employees and Community). This is an 18.5% improvement in total from 2009. During 2011; the following actions will be taken to ensure that the pass rate for 2011 shows more improvement: <ul style="list-style-type: none"> ▶ Increased management involvement from the business units at the part-time centres to motivate learners through regular centre visits. ▶ Facilitators are being developed to ensure that learners are provided with the best possible teaching techniques. ▶ Benchmarking against other mining houses and liaising with them to enhance ABET in the mining industry. ▶ Implementing new libraries and upgrading existing ones at the residences to give learners

ABET Milestones - 2010 – 2014																						
Task / Project Description	Key Deliverables	Start Date	Finish Date	Progress																		
				<p>the opportunity to use the facilities to study and enhance their knowledge.</p> <p>► Introduce new learning material.</p>																		
Reduction of drop-out rate	2% year on year reduction.	2010	2014	The drop-out rate improved from 42.6% in 2009 to 34.3% in 2010 for the WW area. This is due to increased efforts to support students especially those learners in part-time ABET.																		
Phasing out of RPL, except for placement purposes	All qualifications have been confirmed.	2010	2012	<p>In conjunction with the HR Systems department a project is underway to develop a new improved way of linking an NQF level to each employee's qualifications. The report generated will be used to identify employees at each business unit who still need to confirm their qualifications. This in turn will also assist the drive from the HR department to give each employee a confirmed qualification. RPL enrolments are declining significantly year-on-year and the return from leave RPL process should phase out by the end of 2011. The graph below shows the declining enrolments.</p> <p style="text-align: center;">RPL Enrolments 2003 - 2010</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Enrolled</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>464</td> </tr> <tr> <td>2004</td> <td>2672</td> </tr> <tr> <td>2005</td> <td>1832</td> </tr> <tr> <td>2006</td> <td>926</td> </tr> <tr> <td>2007</td> <td>2185</td> </tr> <tr> <td>2008</td> <td>8558</td> </tr> <tr> <td>2009</td> <td>4230</td> </tr> <tr> <td>2010</td> <td>2254</td> </tr> </tbody> </table>	Year	Enrolled	2003	464	2004	2672	2005	1832	2006	926	2007	2185	2008	8558	2009	4230	2010	2254
Year	Enrolled																					
2003	464																					
2004	2672																					
2005	1832																					
2006	926																					
2007	2185																					
2008	8558																					
2009	4230																					
2010	2254																					
External standard for ABET examinations	Ensure that standard is competitive outside of mining industry.	2010	2012	ABET standard has been measured; areas of improvement have been identified and are being addressed, such as the need to update ABET learning material. Options are being investigated, facilitators require development and a developmental process was implemented during 2010 to conclude during 2011.																		
Implementation of Adult Basic Education Interventions	Computer Skills and Life Skills	2010	2014	Have obtained 20 computers that are being installed, ABET libraries are being upgraded with the assistance of the corporate library.																		

8.2. Mining: Community Training

8.2.1. Objectives

AGA provides communities with the opportunity to educate themselves by obtaining entry level knowledge and skills that will assist them to apply for jobs within the mining industry. Beneficiaries are trained as members on the stope and development teams, enabling individuals to obtain employment. Training is provided at no cost to individuals. Once training is complete, names are added to the recruitment register. AGA serves the communities of Merafong, incorporating Wedela Village, Elandsrand, Khotsong, Welverdien, Fochville, Carletonville and Kokosi. These towns fall within jurisdiction of the Western District Municipality. The plan for 2010 was to train 140 community members. However, the West Wits Satellite Training Centre **trained 214 community members** of which 179 were as members of stope teams and 35 as members of development teams. Total cost for the training was **R890 240**. From the 214 individuals trained, **80 have been employed** and are working in the mining industry. The courses listed in the table below are presented at West Wits. The provision of the courses depends on budget approved for that year.

<i>Mining: Community Training – 2010 to 2014</i>						
Course		2010	2011	2012	2013	2014
Stope Team	Mining Skills	X	X	X	X	X
Development Team		X	X			

<i>Mining :Community Training – 2010 to 2014</i>								
Course	Max No	Duration	Number of courses planned for West Wits					
		(Days)	2010 Planned	2010-Actuals	2011	2012	2013	2014
Stope Team Training	35	20	3	4	3	4	4	4
Development Team Training	35	20	1	1	1	0	0	0

<i>Milestones to achieve Mining: Community Training</i>							
Task / Project Description	Key Deliverables	Responsible Resource	Start Date	Finish Date	Project Duration		Project Costs
					Months	Years	
Mining Skills community training	Have community members trained and found capable for an entrance level position on an annual basis	W Jacobs	There will be 4 courses per year and an intake every third month (1 per quarter).	Every second Month	8 months per annum	Annually	Estimated at R2 375 360 over a period of 5 years
In reviewing the milestones as set out in the plan, it is clear that the training center has achieved the milestones as set out for 2010. They presented four stope team courses and one development team course. AGA has spent R 890 240 on the training and is well on track to meet the five-year plan.							

8.3. Engineering (Portable Skills)

AGA offers portable skills to employees and communities for them to be empowered and self-sustainable after life of mine. The decision on courses to be offered to employees will be taken in conjunction with organised labour and management. The training centre considers the client's needs and the needs of communities in host areas in order to determine the appropriate courses. This includes skills training to employees (incapacitated or re-trenched) as well as to community members, which may include those unemployed within close proximity of the AGA operations. Portable skills offered include basic plumbing, basic computer, basic house wiring, basic bricklaying and basic welding etc. Employees and Community members are entitled to a once-off-course at no cost to the participant. Current communication channels to promote portable skills training are through word of mouth, pamphlets and union structures. This process is enhanced through our formal communication and reporting structures.

The number of people trained in 2010 in the West Wits Area is reflected in table below:

Description	Plan	Actual
Basic Welding	30 (3 courses x 10 people)	36
Basic Wiring	30 (3 courses x 10 people)	19
Basic Plumbing	30 (3 courses x 10 people)	29
Basic Computer	30 (3 courses x 10 people)	24
Basic Bricklaying	30 (3 courses x 10 people)	5
Total people trained	150	113
Basic Refrigeration	0	1
Grand Total	150	114

According to the plan, AGA was required to present 15 courses but the number has decreased, owing to the limited demand for courses. We have, however, exceeded our targets in certain areas. The company has trained **518 people** (West Wits 114 and Vaal River 404) of which 154 are AGA employees and 364 community members.

8.4. Internships and Bursaries

AGA is committed to developing skills in line with the national skills shortage. This includes high-level engineering skills, artisanal and technical skills.

The table below indicates the Learner 2010 Actuals Compared to 2010 Plan for the West Wits Area:

Programme	Employment Equity	2010 Planned	2010 Actual
Management / Graduate Trainees	White Males	8	13
	HDSA	27	36
Learner Officials (Eng, MRM, HR, SHE, SAFS, Mining)	White Males	10	7
	HDSA	14	9
Trainee Shift Boss	White Males	3	3
	HDSA	5	13
Engineering learners	White Males	6	1
	HDSA	23	25
	Foreign Nationals	0	2
Learner miners	White Males	9	2
	HDSA	18	30
	Foreign Nationals	0	12
Bursars	White Males	5	6
	HDSA	21	14
Total	White Males	41	32
Total	HDSA	108	127
Overall Totals		149	173

The company continues to work in partnership with the Mining Qualifications Authority (MQA) to provide work-integrated learning for external learners. These learners are selected from the database of MQA-funded learners. Assistance depends on the performance and aspirations of the learners, as well as the availability of suitable opportunities within the company.

The actuals for 2010 are reflected in the table below:

<i>External Internship and Bursary Programmes</i>			
Year	Number of MQA Students Planned	2010 Actuals	
2010	20	White Males	0
		HDSA	19
		Foreign Nationals	0
TOTAL			19

Supplementary school:

As planned, 75 learners attended the supplementary school in 2010. The pass rate for the 25 Grade 12 learners was 100%. Final results for the 25 Grade 10 and 25 Grade 11 learners are not yet available as these were internal exams.

8.5. Hard to Fill Vacancies

The 2010 to 2014 Social and Labour Plan indicated occupations in which difficulties were experienced in sourcing suitably qualified candidates. This information has been updated as per **Form R**, which is an annexure to this report.

8.6. Career Progression (Path) and Mentorship Plan

Middle and Senior Management:

Middle and senior management, including talent development for AGA, are managed according to the concepts and principles of *Requisite Organisation* (Dr Elliot Jacques) and internally referred to as the System for People (SP). A three tier managerial accountability structure of manager once removed (MoR), manager and subordinate once removed (SoR) form the basis of this system. The MOR is accountable for the mentoring and career development of the SOR, while the manager is accountable for the same subordinate's current applied capability and personal effectiveness. The subordinate's manager and manager once removed have clear accountabilities in ensuring that the subordinate reaches their full potential. During contact sessions, each employee's development plan is discussed with the employee by the MoR and agreed upon at least twice per year. The tangible outcomes of the contact sessions are development plans that include general comments about the employee, his / her development needs, as well as the MoR action steps needed to ensure appropriate employee development.

During 2010, **217** contact sessions were carried out in the West Wits area.

Staff development panels are used to facilitate the career development of employees. The staff development panel process, identification of appropriate candidates and the career developmental plans that result from these are the accountability of the MoR.

During 2010, a total of **81** individuals were interviewed during staff development panels, **40 of them were HDSAs and 18 females.**

<i>Staff Development Panels for 2010 in the West Wits Area</i>											
Discipline	AM	IM	CM	WM	AF	IF	CF	WF	Total	Total HDSA	Total Female
Mining	3	-	-	3	-	-	-	-	6	3	-
Engineering + Technicians	6	-	2	21	-	-	-	2	31	10	2
HR	1	1	-	1	3	-	-	2	8	7	5
ATDS	6	2	-	13	1	-	1	5	28	15	7
Metallurgy	-	-	-	1	3	-	-	-	4	3	3
Environmental	1	-	-	2	-	-	-	1	4	2	1
TOTAL	17	3	2	41	7	-	1	10	81	40	18

The education and training system has been established to ensure that middle and senior management have the required skilled knowledge to secure maximum efficiency and performance in role, as well as to ensure they are provided with opportunities for development to their optimum potential.

The education and training system is a framework within which provision is made for:

► **Management Level**

– **Management Development**

- The Management Development Programme (MDP) and Intermediate Management Development Programme (IMDP) form part of AGA's Managerial and Leadership Strategy for D-Band employees. The programme is facilitated through the UCT Graduate School of Business. MDP is focused on strategic effectiveness and IMDP on operational efficiency. In the SAR, the Management Mastery Programme (MMP) was introduced in 2007 as an extension of the IMDP programme. The current drive in management development in the region is to increase the number of line managers who participate in the programme compared to services managers.
- The target for MDP for 2010 was set at 10 individuals - 9 individuals from the SAR and 1 from our operations in Namibia enrolled for MDP. Nine individuals from the SAR and 1 from our operations in Namibia were enrolled for IMDP during 2010, which compares well with the target of 10. During 2010, 19 individuals were enrolled onto MMP. One individual attended the Advanced Executive Programme through the Kellogg School of Business in the United States.

► **All Staff Levels**

– **Study Assistance:**

- Three individuals received full company support for MBA studies during 2010; all of them HDSA's. During 2010, a total of **311 individuals** in the West Wits area received study assistance, **66% of these were HDSAs males and 25% females.**

<i>Study Assistance for 2010 in the West Wits Area</i>														
Business Unit	AM	IM	CM	WM	AF	IF	CF	WF	Total	Total HDSA	Total Male HDSA	Male HDSA %	Total Female	Female %
Mponeng	57	0	1	7	13	0	0	5	83	76	58	70%	18	22%
TauTona	117	0	0	10	20	0	0	2	149	139	117	79%	22	15%
SARS	14	1	2	5	11	1	2	10	46	41	17	37%	24	52%
WW Metallurgy	9	0	0	3	4	0	0	0	16	13	9	56%	4	25%
AGA Health	5	0	0	2	5	0	0	5	17	15	5	29%	10	59%
Total	202	1	3	27	53	1	2	22	311	284	206	66%	78	25%

► **Lower, Operational and Supervisory Level Staff**

– **AGA Modern Supervision (C-Band Employees)**

- Supervisory training (AGA Modern Supervision) is presented to employees with a focus on basic supervisory skills such as planning, leading, organising and control, as well as emotional intelligence competencies.
- AGA - ATDS developed this programme in partnership with an outside training provider. A total **48** individuals made use of this opportunity during 2010 in the West Wits Area, **43 of them were HDSA's and 18 females.**

COURSE DATES	AM	IM	CM	WM	AF	IF	CF	WF	TOTAL	TOTAL HDSA	HDSA MALE	MALE %	HDSA FEMALE	FEMALE %
15 – 19 Feb	0	0	0	1	0	0	0	0	1	0	0	0	0	0
15 – 19 Mar	4	0	1	1	0	0	0	1	7	6	5	71%	1	14%
3 – 7 May	4	0	0	2	0	0	0	1	7	5	4	57%	1	14%
24 – 28 May	0	0	0	0	0	0	0	1	1	1	0	0	1	100%
26 – 30 July	4	0	1	1	1	0	0	1	8	7	5	63%	2	25%
6 -- 10 Sept	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 – 8 Oct	2	0	0	0	7	0	0	6	15	15	2	13%	13	87%
22 – 26 Nov	9	0	0	0	0	0	0	0	9	9	9	100%	0	0
TOTAL	23	0	2	5	8	0	0	10	48	43	25		18	

(Source – Educos)

- **Basic Supervisory Training (A and B Band)**

- During 2010 supervisory skills training was introduced for employees in non-skilled and semi-skilled occupations, such as team leaders, through a basic supervisory training intervention pitched at NQF level 2.
- During 2010, **19** individuals made use of this opportunity, **18 of them HDSAs and 6 females**.

COURSE DATES	AM	IM	CM	WM	AF	IF	CF	WF	TOTAL	TOTAL HDSA	HDSA MALE	MALE %	HDSA FEMALE	FEMALE %
3 – 7 May 2010	3	0	0	1	3	0	0	2	9	8	3	33%	5	56%
27 Sep – 1 Oct 2010	7	0	0	0	1	0	0	0	8	8	7	88%	1	13%
25 – 29 Oct 2010	2	0	0	0	0	0	0	0	2	2	2	100%	0	0
TOTAL	12	0	0	1	4	0	0	2	19	18	12		6	

(Source – Educos)

8.7. Financial Figures for Training and Development

The MPRDA requires in terms section 46 (e) to provide financial provision for the implementation of social and labour plans. The actual spend in the West Wits area on training and development for 2010 is listed below:

<i>Actuals for West Wits - January 2010 to December 2010</i>				
Total Training and Development Cost	Training Other Cost	Training Personnel Cost	No of Training Personnel	Total Training Cost
Mponeng	R22 144 466	R40 757 338	233	R62 901 804
TauTona	R25 921 790	R31 857 279	182	R57 779 069
Savuka	R4 897 764	R7 700 578	50	R12 598 342
TOTAL	R52 964 020	R80 315 195	464	R133 279 215

9. Mine Community Development

AGA's business principles underpin its mission, values and stakeholder relationships. As a company we seek to create value for our stakeholders, employees and their families, as well as the communities in which we operate. It is AGA's practice to establish long-term relationships and to foster partnerships with local communities. AGA has established engagement opportunities with all stakeholders to ensure mutual understanding and engender cooperative relationships. It is AGA's intention to have the correct balance and encompass the different stakeholder groups, such as consumers, government, industries, labour, non-governmental organisations (NGOs), as well as services and support providers. With this in mind, we established a stakeholder function within the Community and Sustainable Development Department in 2010.

AGA's objective is to ensure poverty and crime eradication by job creation, community upliftment and socio-economic development in our areas of operation. Our intentions are to also develop SMMEs, assist in developing infrastructure and communities while, at the same time, reducing our footprint responsibly within good practice. To this end we have embarked on sustainable projects that are listed in the SLP 2010 to 2014. These projects are aligned with the Integrated Development Plans (IDPs) of both the various areas within which we operate and in our labour sending areas.

9.1. Local Economic Development Projects

Initiatives and estimated values of projects concluded in 2010, as listed in our SLP 2010 to 2014, were:

- ▶ **R400 000** Donation of urban land for the expansion of a training unit and technical college (Wescol).
- ▶ **R500 000** Sale of shopping complex in Wedela and securing of tenure for small traders / entrepreneurs.
- ▶ **R22 million** Donation/Transfer of the Wedela Reservoirs to the city council.

Listed below is progress on projects that are planned for 2010 and beyond:

It should be noted that these initiatives are indicative only of pre feasibility estimates and does not, nor has any final viability nor commitments been established. In addition initiatives will be added and removed as opportunities present themselves or as priorities change within a complex stakeholder / partnership environment.

- ▶ AGA's estimated commitment is **R7 million** to establish **Enterprise and Supply Incubator Support Centres / Business Development Park** per host community so as to meet local procurement and associated empowerment targets as embedded in the mining charter. Stakeholders are the local authorities, organised business, Development Bank of SA and the Department of Trade and Industry. This project will deliver stand-alone business to manage combined procurement profiles of stakeholders and the associated much needed enterprise development capacity that will enable these centres to meet a demand profile. The added benefit of this project would be to increase local procurement. The table below shows the company's plan for development of an **Enterprise and Supply Incubator Support Centre/Business development park** in the event that this project should prove to be viable. At the end of 2010, we had **finalised the mandate up to 100%** as reflected in project plan below:

<i>Project Plan for Enterprise and Supply Incubator Support Centers / Business Development Park Project</i>										
	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Project Initiation										
▶ Mandate	100% Done	100% Done								
▶ Pre Feasibility Studies										
Project Planning										
▶ Funding										
▶ Stakeholders										
Project Execution										
▶ Site Selection										
▶ Start Operations										
▶ Monitoring and Evaluation										
Project Closure										
▶ Handover and Exit										
Note: The orange highlight reflects the completion of steps within the project.										

- ▶ Several joint venture housing developments are being concluded with an estimated **R19 million** commitment from AGA. The objective is to delivery affordable residential units to meet the requirements of ownership options as per the mining charter:
 - **R1 million** land donation in Merafong for the development of 144 units in **Fochville with Egoli Development**. This project was concluded in the review period.

- ▶ Estimated pre-feasibility project costs to AGA of **R2 million** is required to establish a **Medical Step-Down Facility** where sub-acute patients can be accommodated beyond the high-cost facilities of standard state and private hospitals. The impact to the health care services levels and costs will be profound for the host communities, apart from the local job creation that will result. The table below shows the company's plan for medical step-down facilities in the event that this project should prove to be viable. **This project is on hold pending internal evaluation of medical services requirements**

<i>Project Plan for Medical Step-Down Facilities</i>										
	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Project Initiation										
▶ Mandate										
▶ Feasibility Studies										
Project Planning										
▶ Funding										
▶ Stakeholders										
Project Execution										
▶ Implementation										
▶ Monitoring and Evaluation										
Project Closure										
▶ Handover and Exit										
Note: This plan will only apply if the project is viable / feasible.										

- ▶ Capital expenditure of **R7 695 186** is estimated for the **urban planning and formalisation** of AGA land and property holdings so as to enable the incorporation of mining urban areas into the adjacent local authorities. This will ensure the delivery of services to the affected communities and release the embedded value to individuals who are living in these villages. Incorporation will also increase the revenue base of local councils. The table below shows the company's plan for urban planning, the formalisation of AGA land and property holdings.

Project Plan for Urban Planning and Formalisation of AGA Land and Property Holdings										
	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Project Initiation										
▶ Mandate										
▶ Feasibility Studies										
Project Planning										
▶ Funding										
▶ Stakeholders										
Project Execution										
▶ Implementation										
Project Closure										
▶ Handover & Exit										
Note: This plan will only apply if the project is viable.										

- ▶ Pre-feasibility consultant fees of an estimated **R5 million** is required from AGA to conclude a business plan for the establishment of a holistic **waste management plant** in host communities. The project will create a large number of direct and indirect jobs. It will also create an alternative energy source via methane burning. The table below shows the company's plan for a waste management plant in the event that this project should prove to be viability.

Project Plan for Waste Management Plant										
	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Project Initiation										
▶ Mandate	100% Done	100% Done								
▶ Feasibility Studies										
Project Planning										
▶ Funding										
▶ Stakeholders										
Project Execution										
▶ Site Selection										
▶ Implement										
▶ Monitoring and Evaluation										
Project Closure										
▶ Handover & Exit										
Note: The orange highlight reflects the completion of steps within the project.										

- ▶ **Additional to projects stated in the SLP 2010 to 2014, listed below are projects in the pre-feasibility stages that the company plans to investigate:**
 - Water management and utilisation of the surplus water in the West Rand Basin.
 - Development of an integrated housing development in the gap land between Fochville and Carletonville.
 - Consolidation of vacant stands in Wedela and development of these properties.

9.2. Enterprise Development

Since the establishment of AGA's Enterprise Development Department in 1998, we have assisted many entrepreneurs in our areas of operation and labour sending areas, developing them to support themselves through their own entrepreneurial efforts. AGA has given these entrepreneurs hope, dignity and a lasting impact in the lives of people who need it most. AGA continues to assist emerging entrepreneurs in the community with financial and non-financial support. The Enterprise Development Department provided non financial support / mentoring to 13 businesses as can be seen in the table below. Two new businesses, a bakery and a car wash, were established (R492 780) in 2010. External consultants, Bokaone Learning Systems (Pty) Ltd were appointed to assist with the bakery layout and to give the bakery staff training. These projects are currently in incubation. Five new proposals are awaiting funding approval as in the table below. The feasibility of a further three projects are currently under investigation. These projects did not progress as projected in the SLP, mainly owing to the difficulty to establish market feasibility. However, investigations are still proceeding.

Support and Incubation				
Company Name	Type of Business	Entrepreneur	Estimated Number of Jobs created	Funded by AGA
AMAZING LAUNDRY	Laundry	Vuyiswa Nyaniso	6	R35 000
EKHAYA ACCOMMODATION	Accommodation and catering	V Ratladi	26	R90 000
EZ TRADE	Cleaning	Constance Aphane	13	R50 000
JEI JEI WHEELS	Wheel alignment	Joseph Tuka	4	R165 204
MOITSHEKI FUNERALS	Funeral service	Ernest Moitsheki	4	R120 000
MOTEBONG LIQUOR OUTLET	Tavern	Windy Malefetsa and Boy Khumalo	9	Non
MPS POOL AND GAMES	Games arcade	Petrus Sibeko	2	R30 500
NUMBA WANI LIQUOR OUTLET	Tavern	Ruben Ramaila and Palesa Maliti	7	Non
PB MAMELLO	Sewing and design	Patricia Muvmbi	2	R43 138
SIZANANI ROYAL STEEL	Steel furniture manufacturers	Moses Langa	12	R15 000
SMELL NICE CAR WASH	Vehicle washing service	Nosipho Peter	4	R54 280
TSHEYANDA BAKERY	Bakery & confectionery	B Moloisioa	6	R438 500
TNOBSINS	Cleaning service	Pamela Mntambo	22	R72 903
Total (13)			117	R1 114 525

The feasibility of the following projects is currently under investigation. The figures quoted are estimates as the projects have not been implemented.

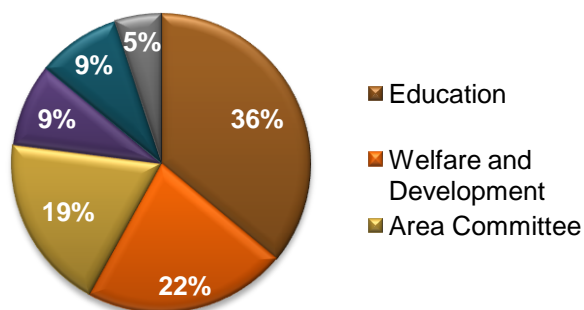
<i>Feasibility investigations</i>					
Company Name	Type of Business	Entrepreneur	Life Stage	Estimated Number of Jobs created	Est Funding Required
FISH AND CHIPS OUTLET	Fast food	Busi Dlamini	Funding	10	R570 000
MEETING PLACE - KIDDIES EVENTS	Jumping castle hire & party packs	Caroline Fakude	Funding	2	R43 400
ONK-E WONKE TRAILERS	Trailer manufacturers	Daniel Mojahi	Funding	4	R150 000
RULUMENTE LANDSCAPING	Grave digging	Mr Rulumente	Funding	6	R568 000
TSIBURU LAUNDRY	Laundry	Bruce Tsundzuka	Funding	1	R29 000
COOKING OIL PRODUCTION PLANT	Cooking oil production plant	Co-operative	Prefeasibility	13	R4 000 000
PEANUT BUTTER PRODUCTION PLANT	Producing of peanut butter	Co-operative	Prefeasibility	8	R1 200 000
ASENZE MULTI PURPOSE	Steel door frames manufacturing	Co-operative	Prefeasibility	12	R2 000 000
Projected Totals				56	R8 560 400

9.3. Community Social Investment Spend

AngloGold Ashanti's aim is to have a positive impact on the people from the communities in which we operate. We respect all people, their values, traditions, cultures and their environments. We undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution and difference. **We contribute to education, skills training and job creation** and other relevant areas which are most likely to be **sustainable** once our operations have come to a conclusion in that community. Listed in table below are the contributions made by the AGA Fund in 2010.

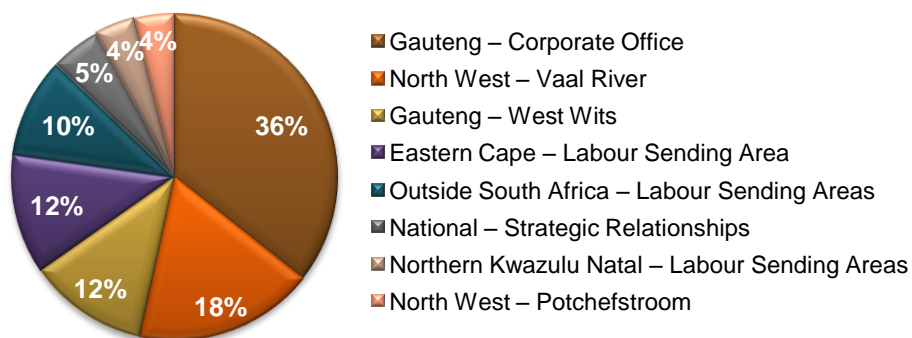
AGA Fund Spend – 2010

Sector Breakdown



Sector	Amount	%
Education	R8 640 325	36%
Welfare and Development	R5 210 421	22%
Area Committee	R4 493 053	19%
HIV / Aids	R2 125 000	9%
Health	R2 020 600	9%
Skills Training and Job Creation	R1 183 580	5%
TOTAL	R23 672 979	100%

Provincial Breakdown



Province	Amount	%
Gauteng – Corporate Office	R8 429 178	36%
North West – Vaal River	R4 312 410	18%
Gauteng – West Wits	R2 95 868	12%
Eastern Cape – Labour Sending Area	R2 770 000	12%
Outside South Africa – Labour Sending Areas	R2 362 306	10%
National – Strategic Relationships	R1 070 600	5%
Northern Kwazulu Natal – Labour Sending Areas	R920 000	4%
North West – Potchefstroom	R850 617	4%
Free State – Legacy Areas	R0	0%
TOTAL	R23 672 979	100%

9.4. Social Leases

AGA assists NGOs/ NPOs and other organisations, entrepreneurs and individuals within the community with the requisite infrastructure for service delivery by providing premises at nominal rental rates. Many organisations and individuals benefited from the social leases scheme in 2010 as can be seen in the table below. The **total social spending in the West Wist area was R3 056 611 in 2010**. The table below shows a list of such entities with their nominal rentals vs commercial rates applicable. Note the charge of rental to some schools go down to zero. This is because we at AGA believe that education in South Africa is the key to success and progression, as well as the eradication of crime and poverty, while assisting with the upliftment of HDSAs.

Social Leases					
No.	Name of Entity	SQM	Property Lease Rentals		Total Social Spending per Annum
			Nominal Rental per Annum	Market-Related Rental per Annum	
1	CANCER ASSOCIATION OF SA	Unit	R672	R30 000	R29 328
2	NG WELSYN CARLETONVILLE	Unit	R444	R30 000	R29 556
3	MALOPE (AIDS CENTRE NUFCOR)	1,955	R1	R281 520	R281 519
4	TIMBERTWIG PRE PRIMARY	480	R3 960	R69 120	R65 160
5	SUZELLE BABAHUIS (NURSERY SCHOOL)	Unit/s	R7 260	R105 840	R98 580
6	WEDELA PRE PRIMARY	982	R7 260	R141 408	R134 148
7	JUBILEE BIBLE CHURCH	380	R2 844	R54 720	R51 876
8	ML LETSHELA	20	R972	R2 880	R1 908
9	PX MANJINGOLO	14	R972	R2 016	R1 044
10	SOPANA CREATIONS CC	12	R972	R1 728	R756
11	AJ MATHENJWA	19	R972	R2 736	R1 764
12	SM MONARE	14	R972	R2 016	R1 044
13	P OLIFANT	14	R972	R2 016	R1 044
14	S VAN MALI	14	R972	R2 016	R1 044
15	MP SIBEKO	15	R972	R2 160	R1 188
16	MA SEKOTO	17	R972	R2 448	R1 476
17	EM MAKEKETLANE	26	R972	R3 744	R2 772
18	TV TETO	15	R972	R2 160	R1 188
19	NS MAROLE	33	R1 932	R4 752	R2 820

20	NML NYOVANE	24	R1 932	R3 456	R1 524
21	DEPT. PUBLIC WORKS (WEDELA POLICE STATION)	500	R45 588	R72 000	R26 412
22	WEDELA PRIMARY	3,805	R0	R547 920	R547 920
23	XHOBANE PRIMARY	2,400	R0	R345 600	R345 600
24	WEDELA HIGH SCHOOL	9,780	R0	R1 408 320	R1 408 320
25	MERAFONG CITY LOCAL MUNICIPALITY (LIBRARY)	120	R0	R17 280	R17 280
26	MERAFONG CITY LOCAL MUNICIPALITY (OFFICE)	10	R100	R1 440	R1 340
TOTAL P/A					R3 056 611

10. Beneficiation

There is much clarification required on the issue. This element of the revised mining charter will become effective from 2012 onwards and will therefore not be reported in this report, however there are ongoing discussions/ engagement with DMR on way forward.

11. Measures to Ameliorate the Impact of Downscaling and Retrenchments

AGA's objectives are to:

- ▶ Report on the status and progress of measures undertaken to ameliorate the impact of downscaling and retrenchments during 2010.
- ▶ Outline the institutional infrastructure where discussions and consultations take place when a need may arise to downscale and retrench, as well as report on progress in respect of establishing appropriate forums.

11.1. Downscaling and Retrenchments

During 2010, AGA's South Africa Region embarked on a rebasing exercise as part of repositioning the company for the future. Great care was taken to ensure that the exercise did not result in the forced retrenchment of employees.

11.2. Section 189 of the Labour Relations Act, 66 of 1995 (LRA)

The company did not dismiss any employee or employees based on operational requirements in 2010. Employees who were affected by the rebasing and repositioning exercise were integrated into the various business units.

11.3. Section 52 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA)

During 2010 a decision was made to place Savuka Mine under care and maintenance and access the remaining ore body from Mponeng Mine. To this end a phased downscaling has commenced which will be completed in 2011. This decision affected 654 employees. In order to prevent the loss of jobs affected employees were integrated into adjacent operations of the company. In this regard the Minister of the DMR was advised of the decision and the steps undertaken to save and avoid jobs.

11.4. Measures undertaken to ameliorate the impact of Downscaling And Retrenchment

AGA is committed to manage downscaling and retrenchments in a manner that subscribes to fair labour practice as required by the applicable legislation, and in terms of company policy. In this regard the company also seeks to adhere to the undertakings as contained in its social and labour plan. In view of the fact that no forced retrenchments were embarked upon during 2010, owing to the prevailing economic conditions (as so envisaged by s 189 of the LRA and s 52(1) (a) and (b) of the MPRDA), it was not necessary to action measures to ameliorate the impact of downscaling and retrenchment.

11.5. Establishment Of A Future Forum

Prior to embarking on a process to establish a future forum, discussions and / or consultations on matters contained in the SLP was dealt with in a variety of management / stakeholder forums. These included (i) union management forums at the various business units (such the Skills Development and Employment Equity Forums) , (ii) the Central Skills Development Committee , (iii) the AngloGold Ashanti / NUM Steering Committee , central regular interactions with unions and associations in the (iv) Quarterly Briefing Sessions with organised labour , (v) company involvement in Implementation and Mandating Committees with local government, (vi) company involvement with the Integrated Development Planning with local government , and the involvement in community and non-governmental based organisations.

During April 2010 a concerted effort started to formalise a future forum; a draft constitution was developed and a consultation exercise embarked upon. It is envisaged that the finalisation and adoption of the constitution will take place during the first quarter of 2011. This will mean that the future forum can be inaugurated and can execute its

terms of reference as set out in the draft constitution. Local government has been approached to identify representatives to serve on the future forum. A fully operational forum will revert the need to deal with SSLP related issues in numerous forums.

11.6. Steps undertaken to avoid job losses

The prevailing economic conditions and challenges faced by the company in respect of safety, production, costs, labour efficiency and cash generation resulted in a rebasing exercise. In order to put the company in South Africa on a growth trajectory, it was necessary to adopt a growth path premised on the following streams: (i) redesigning, (ii) rebasing, (iii) improvement, and (iv) the need to effect massive cost savings and reductions.

A number of initiatives were undertaken to deal with excess labour and to prevent job losses. These were:

- ▶ Natural attrition.
- ▶ Placing a moratorium on recruitment and promotions (except in respect of critical and scarce skills).
- ▶ Voluntary exit arrangements and implementing aspects of the company's retirement policy.
- ▶ Labour absorption of employees affected by the decision at Savuka Mine was dealt with through redeployment and transfers to other business units.

11.7. Communication and Consultation with Stakeholders

Communication with organised labour concerning the rebasing exercise was undertaken at a (i) national leadership level, (ii) regional leadership level and (iii) at local level. Consistent messaging about the rebasing exercise was also undertaken to all employees and in the various forums of the company. The consultation process with organized labour is undertaken in the following forums and instances:

- ▶ Quarterly Briefings by the Executive Vice President: South Africa Region.
- ▶ AGA / NUM Steering Committee Meeting.
- ▶ Focused regular interface with UASA and Solidarity.
- ▶ Management / Union Forums at the various business units.
- ▶ Broader community during quarterly briefings.

11.8. Compliance with the Labour Relations Act

There was no need to invoke the provisions of the Labour Relations Act 66 of 1995 (section 189(2) and (3) in particular) during 2010, as the company did not contemplate retrenchments. All efforts were made to avoid job losses.

11.9. Compliance with Section 52 of the MPRDA

There was no need to invoke section 52 (1) of the Mineral, Petroleum Resources Development Act, 2002. In respect of placing one business unit under care and maintenance, the company duly informed the Minister of Mineral and Energy about the decision. No job losses were occasioned as a result of the decision.

11.10. Utilisation of the Training Lay-Off Scheme

In view of the fact that the 2010 rebasing exercise was approached in a manner to avoid job losses, it was not necessary for the company to utilise the Training Lay-Off Scheme during 2010.

12. Glossary of Terms and Acronyms/Abbreviations

Abbreviation / Term	Full Word / Meaning
ABET	Adult Basic Education and Training
AGA	AngloGold Ashanti
AHS	AngloGold Ashanti Health Service
ATDS	AngloGold Ashanti Training and Development Services
ATR	Annual Training Report
BEE	Black Economic Empowerment
BO	Black Owned
BPF	Business Process Framework
BU	Business Unit (mines of the company)
BWO	Black Women Owned
CSI	Corporate Social Investment
DME	Department of Minerals and Energy – now know as DMR
DMR	Department of Mineral Resources
DoL	Department of Labour
DTI	Department of Trade and Industry
EE	Employment Equity
FET	Further Education and Training
FLC	Foundational Learning Competence
HDSAs	Historically Disadvantaged South Africans
HRD	Human Resources Development
IDC	Industrial Development Corporation
ICMM	International Council on Mining and Metals
IMDP	Intermediate Management Development Programme
LED	Local Economic Development
LOA	Living out allowance
Masakhisane	R10 million development and equity fund that works in conjunction with SMEDI
MDP	Management Development Programme

Abbreviation / Term	Full Word / Meaning
Mining Charter or the Charter	Broad-Based Socio-Economic Empowerment Charter for the South African mining industry
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004. Regulates the granting of mining authorisations and prospecting permits.
MQA	Mines Qualifications Authority
NGO	Non -Government Organisation
NPAT	Net Profit after Tax
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NEF	National Empowerment Fund
NUM	National Union of Mineworkers (South Africa) - union representing the largest number of South African underground employees
P2V	Pathway to value
Paterson grading system	Well-known job classification system used at a number of AngloGold Ashanti operations
PEA	Personal Effectiveness Appraisal
PER	Personal Effectiveness Review (Merit award)
R	South African Rand
RPL	Recognition of Prior Learning
SA	South African
SAR	South Africa Region
SDC	Skills Development Committee
SEAP	Stakeholder Engagement Action Plans - plan to engage with stakeholders, formally and timeously in respect of issues that relate to the operation and may affect them
SETA	Sector Education Training Authority
SLP	Social and Labour Plan
SMEDI	Small and Medium Enterprises Development Initiative unit established by AngloGold Ashanti to identify and help small business with potential
SP	Systems for People
TEBA	An institution owned by the South African mining industry, through which the industry has historically recruited labour but which now fulfils a broader social role in addition to its recruitment function
VR	Vaal River
WSP	Workplace Skills Plan
WW	West Wits