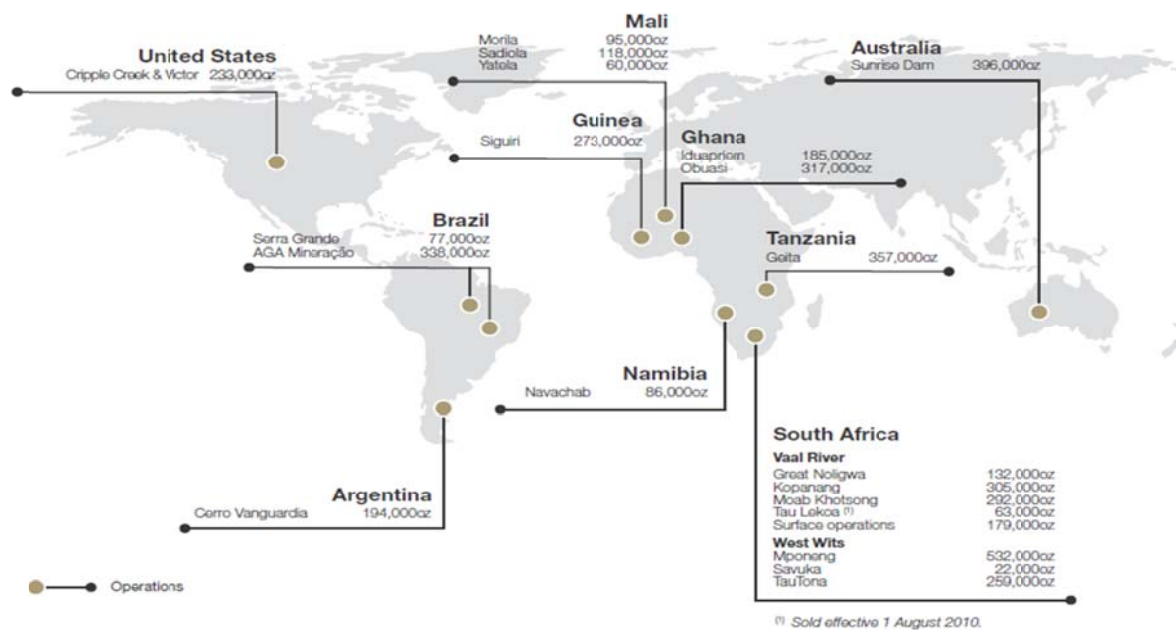




PUBLISHED IN SEPTEMBER 2011 BY FRIEDRICH-EBERT-STIFTUNG, P.O. BOX 412664, CRAIGHALL PARK, 2024, ZA-SOUTH AFRICA, PHONE: +27-11 341 0270, FAX: +27-11 341 0271, EMAIL: GERD.BOTTERWECK@FES-SOUTHAFRICA IN COLLABORATION WITH LABOUR RESEARCH SERVICE 7 COMMUNITY HOUSE 41 SALT RIVER SALT RIVER 7925 CAPE TOWN, SOUTH AFRICA PHONE: +27 21 4471677 FAX: +27 21 447 9244 E-MAIL: LRS@LRS.ORG.ZA HTTP://WWW.LRS.ORG.ZA AND INTERNATIONAL FEDERATION OF CHEMICAL, ENERGY, MINE AND GENERAL WORKERS' UNIONS (ICEM) 20 RUE ADRIEN LACHENAL, 1207 GENEVA, SWITZERLAND, TEL: +41-22-304-1840, FAX: +41-22-304-1841, EMAIL: INFO@ICEM.ORG HTTP://WWW.ICEM.ORG ALL RIGHTS RESERVED: THE MATERIAL IN THIS PUBLICATION MAY NOT BE REPRODUCED, STORED OR TRANSMITTED WITHOUT THE PRIOR PERMISSION OF THE PUBLISHER. THE VIEWS EXPRESSED IN THIS PUBLICATION ARE NOT NECESSARILY THE ONES OF THE FRIEDRICH-EBERT-STIFTUNG OR OF THE ORGANIZATION FOR WHICH THE AUTHOR WORKS.

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INTRODUCTION

AngloGold Limited was founded in June 1998 with the consolidation of the gold mining interests of Anglo American. The company, AngloGold Ashanti as it is now, was formed on 26 April 2004 following the business combination between AngloGold and Ashanti Goldfields Company Limited. AngloGold Ashanti (AGA) is currently the third-largest gold producer in the world and is headquartered in Johannesburg, South Africa. The company's 20 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the US), and are supported by extensive exploration activities. In addition, the company is involved in the manufacturing, marketing and selling of gold products, as well as the development of markets for gold.

The company employs over 62,000 people in its operations and in the financial year ended 31 December 2010 reported revenue of USD5, 514, 000, 000 (ZAR 40, 135, 000, 000).

Global Framework Agreement (GFA)

In September, 2002 AngloGold (AGA) and the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) signed a global agreement on the promotion and implementation of good human and industrial relations in AngloGold operations worldwide. The National Union of Mineworkers (NUM), a South African affiliate of ICEM facilitated the agreement. It was the first such global agreement signed in the mining industry, the first in the developing world and particularly in South Africa. The agreement applies 'to all operations, wherever situated, over which AngloGold has direct managerial control'.

At its heart, the agreement commits the company to adhere to the ILO's declaration on the Fundamental Principles and Rights at Work, namely –

- Freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of forced labour;
- The prohibition of child labour;
- The elimination of discrimination in respect of employment and occupation.

The agreement therefore commits the company to certain minimum levels of behaviour with regards to working conditions at its operations but further, it creates the space for workers at AGA operations to organise into unions and to build those unions. Unions can therefore bargain for better conditions for workers and begin to impact on the corporate governance of the company.

It goes further to commit AGA to observe OHS, good environmental standards, CSR, GRI and to promoting interests of communities. This opens space to engage the company around issues beyond the workplace. It commits AGA to be a good corporate citizen. In terms of implementation AGA has agreed to distribute the GFA, to support training of shop stewards around the content of the agreement, to holding annual meetings with ICEM for social dialogue and to set up a sub-committee to discuss matters of mutual concern with ICEM.

Since the signing of the agreement, the NUM has been involved in working with ICEM to resolve issues in other operations in AGA. However, it has been felt that the space provided by the agreement for organising and organisation building has not been utilized by national unions organising at the company across operations.

In order to properly implement the GFA, information on workers' conditions at AngloGold Ashanti, the unions engaging with the company and the challenges their members face should be gathered and analysed. This analysis would assist unions to develop coherent strategies to organise, bargain and build cross border solidarity around conditions of work, forms of employment, company restructuring and wages. Stronger national unions with increased membership working as part of a network of unions across Africa could develop the role of unions in influencing and affecting company corporate governance, the way the company is run to the benefit of workers. Further, information on the company structure, performance and governance would assist unions and the alliance to engage with the company on their own terms. By knowing the company with which they are engaging, unions can more successfully challenge their assertions and behaviours.

With this in mind the first meeting of AGA Africa Continental Shop Steward Alliance took place in Johannesburg, South Africa in March 2011. 16 representatives from unions in Ghana, Mali, Namibia, South Africa and Tanzania participated, including union organisers and shop stewards. There were no representatives from the DRC or from Guinea. According to company and ICEM sources, discussions are underway in Guinea in order to bring the unions there into dialogue. The company has noted initial discussions in the DRC between workers and AGA management there.

The aim of the workshop was to begin to develop an understanding of AGA as a company, especially its policies and principles; to begin to understand the GFA, its possibilities and limitations and to begin to co-ordinate the implementation of the GFA with AGA. More generally the meeting provided an opportunity for trade unions organising AGA to share information, exchange ideas and strategise jointly around common challenges. This begins the establishment of a network of AGA trade unions to improve communication and solidarity among them.

Presentations were given by all the unions present on the situation in their country with regards to AGA. Further input was given by the company HR director for Continental Africa and by the Labour Research Service on the form and content of the AGA/ICEM Global Framework Agreement.

At the workshop it was agreed that further research on the company and on the workers at operations in the company would be completed so as to assist the network of unions at AGA in engaging with the company on a national and regional level. This report contributes to that process.

Table 1: African Unions that attended the AngloGold Ashanti Africa Continental Shop Steward Alliance Meeting

Country	Union	
Ghana	Ghana Mineworkers Union	GMU
Mali	Syndicat national des constructions civiles, des mines et de l' énergie	SYNACOME
Namibia	Mineworkers Union of Namibia	MUN
South Africa	National Union of Mineworkers	NUM
Tanzania	Tanzania Mines and Construction Workers Union	TUICO

METHODOLOGY

At the March 2011 workshop hosted by ICEM Africa and the Friedrich Ebert Stiftung (FES), a questionnaire drafted by the Labour Research Service (LRS) for all the unions organising at AGA in Africa was presented to the participants. Amendments and additions to the draft were discussed before a final version was distributed in both English and French as required. The questionnaire was administered by FES offices located in the various African countries together with the union organising at AGA. The information from this questionnaire was collated by the LRS to be used by the alliance to discuss the way forward for the unions organising at AGA in Africa.

The questionnaire was quantitative so that comparative empirical information could be obtained about the unions and union members. Further questions dealt with perceptions of wages and working conditions and of the AGA management. This would be useful for shop steward alliance to develop a plan for using the space created by the GFA for organising and solidarity. The final english questionnaire used is attached in Appendix 1.

Completed questionnaires were received from three countries from the five present at the workshop. While MUN in Namibia did not submit a questionnaire, they did participate in the process in discussing the situation in their union and committing to participate more fully when internal issues with the union have been dealt with. Unions from Guinea and the Democratic

Republic of Congo did not attend the workshop. No response was received from the union in Ghana despite repeated attempts by ICEM, FES and LRS to communicate with the union there. Information from the Ghana country report disclosed at the alliance meeting has been used here where applicable.

Note: There is a need to improve the understanding among affiliates of the importance of union information with regards to organising at a national level and for strategic alliance building between affiliates.

While this work focuses on AGA Africa, should the process be successful, extending the research and the network for all operations of the company globally may be considered.

RESULTS

The results of the questionnaires and country reports and discussions from shop stewards are discussed in the categories below:

Trade union rights and Collective Bargaining

The questions posed:

- Do unions face resistance from the company when they try to unionise?
- Are unions allowed to distribute information to workers?
- Are unions allowed to meet with workers on the company premises?
- Do workers experience any intimidation or discrimination from the company when they join the union?

Table 2: African Unions and AngloGold - Recognition and Bargaining

Country	Mali	South Africa	Tanzania
Union	SYNACOME	NUM	TAMICO
Recognition Agreement	YES	YES	NO
Bargains with Company	YES	YES	NO
Company Resists Unionisation	YES	NO	YES
Company Allows Distribution of Information	YES	YES	NO
Allows Union To Meet Workers On Premises	YES	YES	NO
Discrimination Against or Intimidation of Union Members	YES	NO	YES

The responses indicate wide variation in the relationship between unions and the local management. Where in South Africa NUM has achieved strong representation with the company the situation in Tanzania is one of apparent disregard for company policy.

As a wholly owned subsidiary of AGA, Geita Gold Mine in Tanzania is covered by the GFA and should be held to the terms thereof.

More detailed information on the situation in each country was disclosed at the meeting and noted in the minutes by FES:

In South Africa AGA employs about 29 135 workers, with 22 000 organised in the National Union of Mineworkers (NUM). Other unions operating at AGA SA include UASA and Solidarity, both of which organise mainly white workers. NUM has about 37 full-time shop stewards and a national steering committee that co-ordinates engagement with the company. In South Africa, it has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. An agreement was signed with the unions in July 2009, following negotiations between the Chamber of Mines and the National Union of Mineworkers, the United Associations of South Africa, (UASA) (on behalf of some clerical and junior management staff) and Solidarity (on behalf of a small number of miners). The next round of negotiations is expected to take place in 2011.

AGA has two operations in Mali at which the union, SYNACOME, represents about 90 per cent of the workers and is recognised by the company. Collective bargaining takes place at national level in which SYNACOME participates with 12 other unions. In Mali the situation appears to be one of company policy followed in the letter but not in spirit with the union reporting intimidation and there is discrimination against union members in terms of promotion and career advancement. It is also noted that SYNACOME is still underdeveloped, with no check off facilities, none of their own resources and therefore dependent on funding. It is therefore difficult to discern who is in fact an actual member of the union.

In Namibia AGA has only one mine which is small. The Mineworkers Union (MUN) organises the workers there and has no competition.

In Tanzania AGA has only one mine called Geita Gold Mine (GGM). 20 Shop stewards there are field branch committee members. Management does not recognise the union, disputes its membership numbers and refuses to grant them permission enter mine premises to recruit and hold meetings. GGM management continues to use the Workers Representative Committee, a company organisation, to bargain wages and oversee workers affairs, despite the presence of a legal trade union. This problem extends to contracting companies. According to reports, this has been the case for many years. The union reports repeated interference and intimidation of TAMICO representatives - threats, intimidation and cooked disciplinary charges which create difficulties in organizing workers to join the trade union. Recruitment is not allowed at GGM premises, not even posters on the notice boards. See Appendix 11 for details.

AGA has two mines in Ghana. Ghana Mineworkers Union (GMU) organises at the mines. Collective bargaining takes place at a company level with rates of pay distinguishing between underground and surface mining. A three-year, wage agreement for the years 2009 to 2011, effective from 1 January 2009, was reached towards the end of 2009. The next round of negotiations is expected to take place in 2011.

Unions in AngloGold are of a great variety and their current relationships with the company vary widely. The issues are not uniform and relate both to the state of the union, relationships within the company structure and relationships between local management and national unions.

Further work must be done on collecting and analysing the content of recognition agreements and possibilities of standardising them to improve bargaining arrangements for unions in all countries.

Local management must be monitored for keeping to company policy, particularly as the GFA commits all operations to respecting the freedom of association and the right to bargain collectively.

Workers' demands

Where the workers are organised, the main demand of the union concerns wages, as in South Africa and Mali. Where it is not organised the chief demand becomes the recognition of the right to organise, as in the case of Tanzania. Given the nature of the work, health and safety features strongly too, especially considering the poor track record of the company concerning mine fatalities and injuries despite claims to be addressing health and safety issues.

Country	Mali	South Africa	Tanzania
Union	SYNACOME	NUM	TAMICO
First priority	Wages	Wages	Right to organise and collective bargaining
Second Priority	Fear of retrenchments	Fear of Retrenchments	Health and Safety
Third Priority	Management style	Safety due to mine depth	Discrimination
Casual/ Contract workers main demands	Same for casual but with added problem of getting permanently hired	Same for all workers	Short term employment contracts; low wages; Fear of retrenchment

While some demands of casual workers are the same, concerning low wages and the fear of retrenchment, the issue of not getting permanent contracts is a clear problem for workers on casual and short-term contracts.

Note: Education and campaign materials on the workers' issues identified need to be collated and made accessible to all the unions.

Table 3: Minimum Wages in Local Currencies and Working Hours

Country	Ghana	Mali	South Africa	Tanzania
Union	GMWU	SYNACOME	NUM	TAMICO
Local Currency	USD	FCFA	Rand	Shilling
Full-time (monthly)		90,000	3,500(surface) 4,000(underground)	350,000
Casual (hourly)		500		550
Contract (monthly)		60,000	3,500(surface) 4,000(underground)	180,000
Full-Time		48	45	45

Casual		48	45	45
Contract		48	45	45
Full-Time (monthly) USD	411 (surface) 439.96 (underground)	198	511 (surface) 584 (underground)	231
Casual (hourly) USD		1.10		0.36
Full-Time (contract) USD		132.00	511 (surface) 584 (underground)	118.80
Full-Time (monthly) ZAR	2,774(surface) 2,969 (underground)	403.78	3,500(surface) 4,000(underground)	1,570.26
Casual (hourly) ZAR		2.24		2.47
Full-Time (contract) ZAR		269.19	3,500(surface) 4,000(underground)	807.56

NUM from South Africa and GMU from Ghana included the wages for both surface and underground workers. However there has been little discussion of the differences in conditions for these workers. The table above illustrates the gaps in information regarding contract and casual workers compared to full-time workers. This information is essential if the network is to include contract and casual workers in the organising processes and campaigns.

The charts below compare the minimum monthly wages converted to USD but also in ZAR as most countries in the sample are comfortable with this conversion. The figures do not indicate purchasing power – a higher wage in one country does not necessarily mean that the worker can afford a better standard of living given the cost of living fluctuations – however, it does give an indication of the variance across operations.

Figure 1: Full time monthly minimum Wage (US\$ and ZAR)

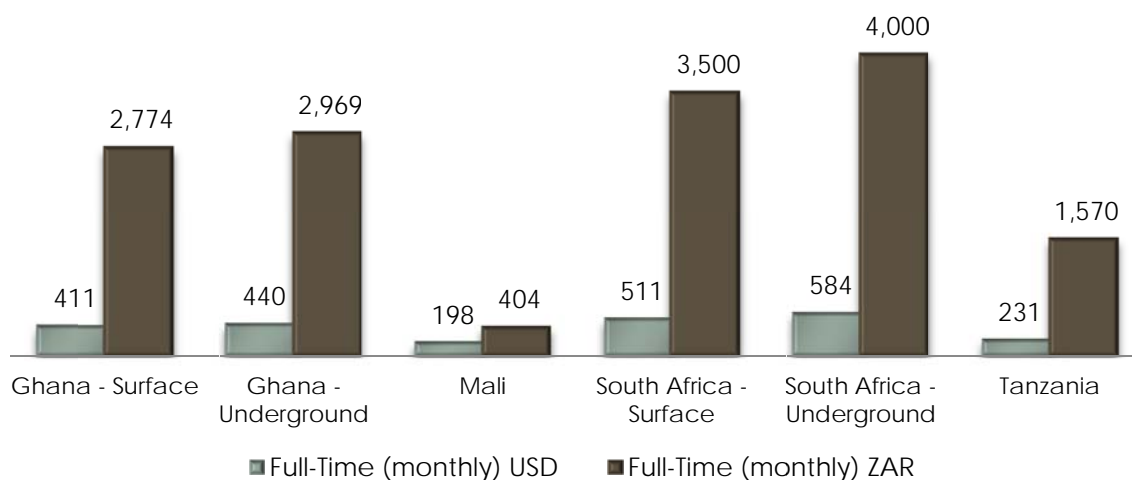


Figure 2: Contract monthly wage (US\$ and ZAR)

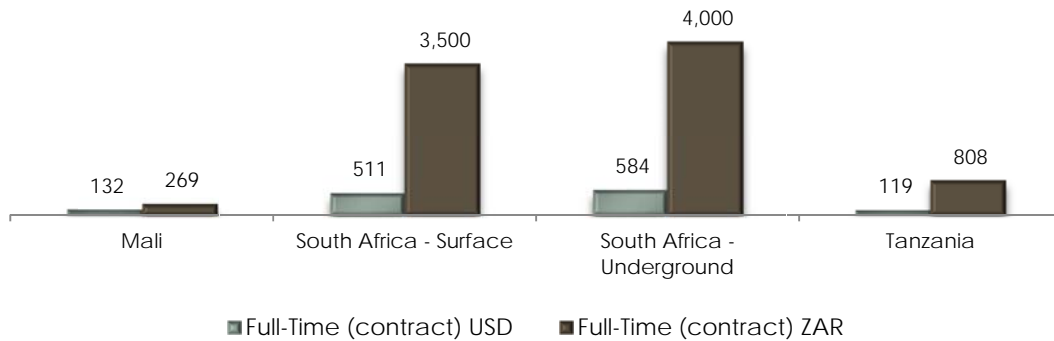
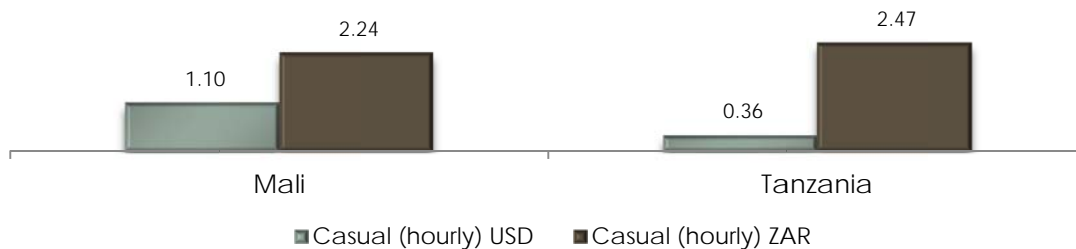


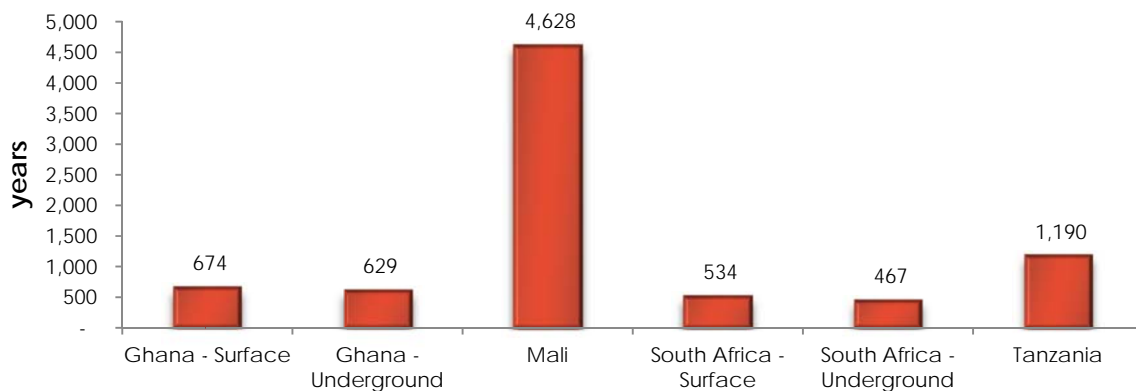
Figure 3: Casual hourly wage (US\$ and ZAR)



Note: Exchange rates used were as per 4 April 2011

South African workers seem to come off the best of the workers at AGA. However, even South African wage means that a South African mine worker earning R48,000 per year would need to work for nearly five hundred years to earn the CEO’s annual package in 2010 of R22, 424, 000, while for a worker in Mali the amount is ten times that at nearly 5, 000 years! This further highlights the wage disparity between workers at the company.

Figure 4: The wage gap at AngloGold 2010- how many years for a worker to earn the CEO’s annual remuneration?



These wages were noted by unions as being the same if not slightly better than at other mining operations in the country although in Tanzania casual and contract workers seem to do worse. Additionally, Tanzanian workers seem to have to work to conditions that are not just below that required by a GFA but also contrary to conditions as prescribed by that country's labour law. In the absence of recognition of the union, management appears to be able to set any standards they choose for workers.

The quality of training offered by the company also appears to be widely inconsistent across operations where the union in South Africa appears to be satisfied with the training. Reports from Ghana also indicate that the union feels that management has done a lot for the members by opening an engineering training centre in the mines to train potential youth, also sponsor TU leaders to study at university for labour related training. When there is the need for a vacant post in place it is advertised internally and if selected they are trained internally. This is miles away from the situation in Tanzania where union members are apparently excluded from training which is in any event seen as inadequate.

Industrial action

There were questions posed to the union around strikes and other forms of protest embarked on by members of the union employed at AGA. The unions were also asked to comment on the reaction of AGA management and by their governments to the industrial action.

In the last three years the unions in South Africa and Mali have reported strikes. In South Africa in 2009 there was an unprotected strike by 4,000 workers over the sale of a mine where opposition was based on section 197 of the LRA. In this instance the union intervened to protect striking workers from disciplinary action. Following the submission of the questionnaire, a further strike across the sector was held in July 2011 over wage demands at the Chamber of Mines where 100,000 workers downed tools for five days before a compromise was reached. In August 2011 NUM announced that it has begun preparing for further strike action following the death of a worker at one of the company's mines. The strike is intended to highlight the fact that more than 150 workers have been killed on the mines this year, a situation that NUM calls genocide.

In Mali in 2010 workers went on strike over various issues including the demand for greater participation on the board and the closure of the social plan. A compromise was reached with the company. In neither of the cases was the government involved.

In Tanzania a 2004 strike over non-recognition of the union and union-bashing tactics of management seems to have had little impact according to reports from TAMICO. While no strikes have been recorded in Tanzania recently, a protest was held in March 2011 following the meeting of the Alliance members. The demand was made for compliance to the labour laws of the country as well as, among other things, that management at GGM comply with the regulations regarding interaction with the union. Other issues highlighted included health and safety issues which had been disregarded at the mine, and GGM's responsibility to the surrounding communities.

In this instance management kept quiet during the protest but before the protest the management summoned some of workers persuaded them not to participate in action.

In May the branch secretary and chairman were suspended by management pending a hearing. The law in Tanzania says union leaders if charged must be represented by the union official from the union office. GGM Management refused this right. This issue was brought to the attention of the ICEM which engaged AGA Head Office, informing them that they were violating the terms of the Global Framework Agreement – Article 3 “Fundamental Principles and Values”. The dismissed leaders were then suspended with pay to allow a team from ICEM, NUM (holding the chair of the Continental Alliance) and AGA to go to GGM to investigate. As per the provisions of the Global Agreement, an ad hoc sub-committee was set up by ICEM and AGA to investigate the GGM situation. In a report signed by ICEM and AGA in October 2011, Geita management was found to have failed to give expression to the spirit of the Global Agreement, although both parties were discovered to be inexperienced in the law and union processes. Capacity building was therefore recommended to develop this. Further recommendations covered communications processes between the union and management, application of the new labour legislation (2004 and 2007) which would allow TAMICO access to the Geita site and a new access agreement to safeguard labour rights. Regarding the two suspended union activists, their suspension was found to be due to the poor relationship between management and the union and the lack of union access to the site leading to poor communication. Following recommendations from the committee the two were called to the mine it is hoped they will start their work in the mine shortly.

A programme that will support the development of working relationship between management and the union will be worked out by both parties. See Appendix 11 for the full report.

Note: How can unions in other countries support the unions involved in strikes, particularly when the issues at stake will impact on their own operations in time? What solidarity role can they play and what lessons can they learn for their own industrial action strategies?

Current strategies to organise

The questions posed to unions about their current strategies with regard to AGA were:

- List the most important challenges that the union has identified at AGA.
- Briefly state what the union is doing presently to meet these key challenges.
- Do you have any recommendations for organising workers in AGA?

Key challenges noted by unions in their initial survey responses show a spread of issue identified as key from gaining organisational rights in Tanzania, to extending the bargaining unit in South Africa and the annual challenge of negotiating collective agreements in Mali. Where the union is recognised, these challenges are addressed through the structures within the company/ union relationship or, in the case of South Africa, the Chamber of Mines.

In consultation at the alliance meeting other challenges surfaced including

- South Africa: the hesitancy of management to invest in SA because of deep-level mining, the cost and dangers involved and the impact of this on workers.
- Mali: developing a proper organising and recruitment strategies, and developing a clear trade union identity.

- Namibia: restructuring at the mine, excessive outsourcing of operations and in-fighting within the union.
- Ghana: the problem of profit sharing, end-of-service benefits, changes in leadership, inadequate equipment, and illegal mining.

Responses from unions indicate that increased training and education for shop stewards concerning labour laws, the global framework agreement, organising and recruiting would be very helpful. Further, a strong network of the unions in the alliance which shows solidarity with national unions would assist unions who face challenges from management in their countries. Such a network would form part of the monitoring structure for the GFA.

Note: There is a need for the alliance to address shop steward training across operations.

Membership

The union with the highest AGA members is NUM from South Africa with a total of around twenty-two thousand members at AngloGold, which represents 76 per cent of the work force. The union in Mali claims 97 per cent of the workers. As SYNACOME is still underdeveloped, with no check off facilities, no own resources and therefore dependent on funding it can be difficult to discern who is in fact an actual member of the union. The union in Namibia reported around 240 members. The Mineworkers Union (MUN) organises the workers in Namibia and has no competition for membership. It should therefore more than the 52 per cent of workers it does. As a result of the low membership the union fails to use the provision for a full-time shop steward position at the mine due to low membership threshold. The cause of this is internal issues within the union which is showing slow progress.

Ghana reports that mining and building contractors at Obuasi mine have also been organised. However, there is a rival union organising at one of the mines which claims 125 of the workers.

The numbers for TAMICO reflects those workers that have apparently signed up to the union. Of these, 347 on payroll, 315 submitted for deductions, 156 newly recruited but not submitted. The issue, as noted above, is that GGM no longer effects deductions from newly recruited members.

Table 4: Levels of Organisation at AngloGold in Africa – Full-time workers

Country	Union	Number of Workers at AngloGold Ashanti			Number of AngloGold Ashanti workers belonging UNION			% of AngloGold Ashanti workers belonging to Union		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Ghana	GMU			4,880			4,320			88%
Namibia	MUN			460			240			52%
Mali	SYNACOME			2,998			2,900			97%
South Africa	NUM	25,320	3,815	29,135			22,094			76%
Tanzania	TAMICO	1,616	15	1,600	803	15	818	50%	100%	51%

The completed questionnaires revealed that most union information systems do not capture gender, form of employment breakdown of members, and union density (percentage of workers organised). This was evident by the gaps in the table on AGA union membership that was part of the questionnaire. Particularly as relates to casual / contract workers there is very

little information. This is particularly important given how many workers fall into this category and should be organised by the union.

Union figures also often vary from the worker numbers disclosed by the company (see below) and there should be discussions between unions and management as to how the numbers agree, and if management numbers include casual workers. Further, given the number of contractors disclosed by the company, greater effort needs to be made to organise them and to collect details of them.

Table 5: Management figures for worker numbers at AGA Continental Africa

Continental Africa	Total 2010	Employees	Contractors
Iduapriem	1,447	727	720
Obuasi	5,759	4,408	1,351
Ghana	7,206	5,135	2,071
Siguiri	3,453	1,576	1,877
Conakry	7	7	0
Guinea	3,460	1,583	1,877
Sadiola (Attributable 38%)	2,060	1,069	991
Yatela (Attributable 40%)	927	368	559
Bamako	11	11	0
Mali	2,998	1,448	1,550
Tanzania	3,186	1,990	1,196
Namibia (Navachab)	578	578	
DRC (Mongbwalu and Kinshasha)	579	122	456
TOTAL	18,006	10,856	7,150

Source: AngloGold presentation to Shop Stewards, May 2011

Note: There is a need to improve the information gathering and organising of membership information and to capacitate organisers to understand the value of knowing their membership for organising and building strategies.

Management style

The following table was provided in the questionnaire to assess the unions' perception of management:

Table 6: Questions which explore AngloGold Management Style

	SYNACOME	NUM	TAMICO
Shop stewards Involved in Operational Decisions	YES	YES	NO
Workers Consulted about Operational Changes	YES	YES	NO
Supervision (Constructive or Oppressive)	ND	Constructive	Oppressive
Management's View of Workers (Contributors or Cost)	Cost	Cost	Cost
Management's Treatment of Workers (Respect or Disrespect)	Respect	Respect	Disrespect
Racist	Racist	Not racist	Racist
Sexist	ND	Not sexist	Not sexist

In most respects perceptions of management are not uniform. Given the current situation in Tanzania – which is not new but has been on-going for at least 7 years - the comments on

management style should be a further call to action. However, the view that workers are seen as a cost to the business is widely held.

Note: What can unions and workers do to impact on the management culture at AngloGold?
Are there international experiences to learn from that ICEM can assist with?

Solidarity

The questions posed to unions regarding continental solidarity were:

- Are they prepared to work with unions organising in AngloGold in other countries?
- What should the focus of this work be?
- How will this benefit your union?
- What recommendations do they have for building solidarity between workers in AngloGold on the continent?

All the unions involved in the questionnaire process and the further representatives at the alliance meeting strongly support the need for a regional network of unions organising in AngloGold.

On the key theme of solidarity with other unions engaging with the company and in the sector the need to **share information and exchange experiences** on collective bargaining, the content of agreements and company policy and challenges faced and met at the company was highlighted as vital in the move towards a **harmonisation of conditions of service**. Given the areas into which AGA is expanding and the structure of unions there, it was also felt that a focus of work in the network should be on ensuring that member unions must be independent, democratic unions that represent workers interests so that the work of the alliance is strengthened and not undermined. Where unions are weak but democratic they should be assisted. Both of these aims are seen as protecting workers in the expansion of AGA so that it cannot exploit them through lower conditions of service. Unions that share experiences will be better equipped to recruit and organise workers effectively and engage with management strategically. Clearly education can only happen through communication, and there was a strong feeling that there should be both periodic meetings – including seminars and trainings, exchange visits, sports events for all operations, setting up a monitoring committee on which all the operations are represented, and a space for the collection and dissemination of information on the internet or email.

The benefits of this sharing for the national union would be felt in increased membership and visibility of the unions and a minimising of exploitation by the company.

Part of engaging with the company is having a better understanding of the company itself, and how it positions itself for shareholders. A company overview was therefore completed as part of the study.

COMPANY INFORMATION

Overview⁷

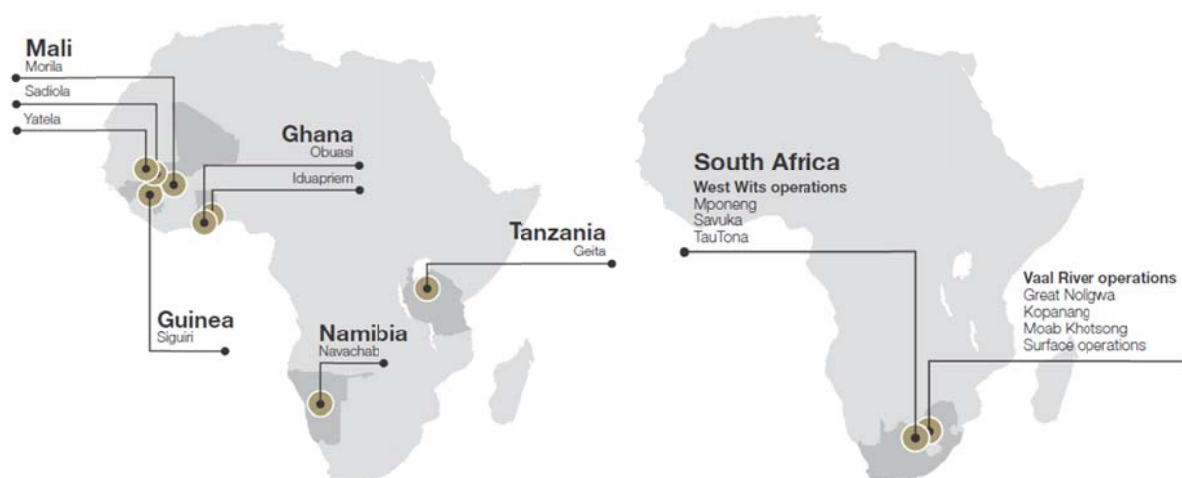
AGA operates globally in four regions: Australia, the Americas, South Africa and Continental Africa. South Africa accounts for 40 per cent of total production and nearly 50 per cent of the workforce and is therefore scheduled as a separate region. The Africa region covers Ghana, Mali, Namibia, Tanzania and Guinea. Africa broadly speaking accounts for 32 per cent of total AGA profits.

Company policy holds that AGA will continue to provide benefits beyond mining - they contribute towards infrastructure development in Ghana and other countries, which includes building better roads. According to management AGA embraces values that aim for the development of local talent, creation of value for stakeholder, leaving communities with a sustainable future, prevent environmental damage and hold safety as a top priority².

Operations

South Africa operations are in two regions, West Wits and Vaal River. These are some of the deepest gold mines in the world. In Mali AGA has three operations, Morila, Sadiola and Yatela. In Ghana AGA has two operations, Obuasi and Iduapriem. In Namibia AGA has only one mine, Navachab, which is small. In Tanzania AGA also has one mine, Geita Gold Mine (GGM). AGA has two mines in Ghana, Obuasi and Iduapriem.

Figure 5: AngloGold Ashanti Geographic Spread – Africa



² Understanding AngloGold as a company: The discussion was based on a presentation by the head of HR for the Africa region - Mr Gusta van Vuuren – at the Alliance meeting in March 2011

Table 7: AngloGold Ashanti Operations in Continental Africa

Country	Investment Name	Date of Initial Investment	Holding
Ghana	AngloGold Ashanti (Ghana) Ltd (Obuasi Mine)	2004	100%
Ghana	AngloGold Ashanti (Iduapriem) Ltd	2004	100%
Ghana	Teberebie Goldfields Ltd	2004	100%
Guinea	Societe Ashanti Goldfields de Guinee S.A.	2000	85%
Mali	Societe D'Exploitation des mines d'or de Sadiola S.A.	1998	41%
Mali	Societe des mines de Morila S.A.	2000	40%
Mali	Societe D'Exploitation des mines d'or de Yatela S.A.	2000	40%
Namibia	AngloGold Namibia	1998	100%
Tanzania	Geita Gold Mining Ltd	2000	100

Source: Who Owns Whom 2011

Expansion

AGA reports exploration projects in Argentina, Australia and Brazil. In April 2011 there were further announcement of exploration in Egypt as well as Eritrea and Saudi Arabia.

The Mongbwalu project in the Democratic Republic of Congo (DRC) would also be submitted for funding approval in the second half of 2011 and the company's Kibali project in the DRC is scheduled to be commissioned in 2014.

Listings

The primary listing of the company's shares is on the JSE in South Africa. Its shares are also listed on stock exchanges in London, Paris and Ghana, as well as being quoted in Brussels in the form of International Depositary Receipts (IDRs), in New York in the form of American Depositary Shares (ADSs), in Australia, in the form of Clearing House Electronic Subregister System Depositary Interests (CDIs) and in Ghana, in the form of Ghanaian Depositary Shares (GhDSs).

Competitors

Barrick Gold Corporation is the world's largest gold producer, with a portfolio of 25 operating mines, advanced exploration and development projects located across five continents. Barrick has a controlling interest in African Barrick Gold plc (73.9%) which has four producing gold mines in northwest Tanzania — North Mara, Bulyanhulu, Tulawaka and Buzwagi — in addition to a suite of exploration properties.

Newmont Mining Corporation is primarily a gold producer, with significant assets or operations in the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand and Mexico. Headquartered near Denver, Colorado, the company has over 34,000 employees and contractors worldwide.

Gold Fields Limited is one of the world's largest producers of gold from eight operating mines in Australia, Ghana, Peru and South Africa.

Other SA Mining Companies: Central Rand Gold, DRDGold, Gold One International Ltd, Great Basin Gold, Harmony Gold Mining Co. Ltd, JCI Ltd, Pamodzi Gold Ltd, Pan African Resources Plc, Tandgold & Exploration Co. Ltd, Simmer & Jacks Mines Ltd, Witwatersrand Cons Gold Resources.

Structure

Ownership

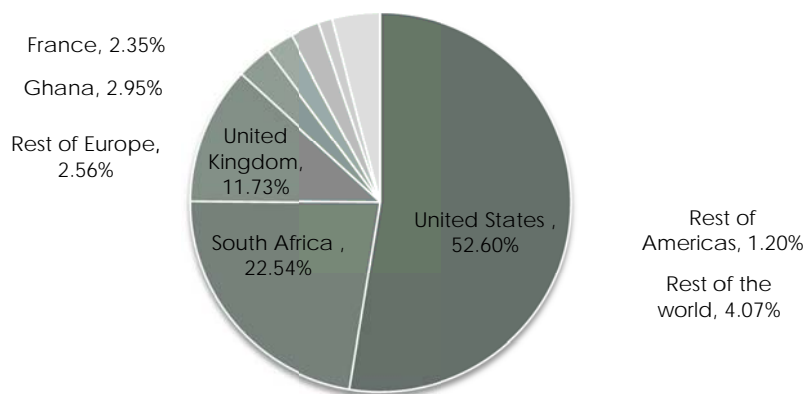
Table 8: Shareholders at 31 December 2010 as reported in the Annual Report

Shareholder	Percentage held
Paulson & Co., Inc.	10.76
Allan Gray Unit Trust Management Limited	8.31
Fidelity Management & Research	7.45
Public Investment Corp. of South Africa*	4.09
NWQ Investment Management Co. LLC	3.32
Tradewinds Global Investors LLC	3.07
Government of Ghana	2.95

*Government Employees Pension Fund which includes union trustees on the board.

Anglo American plc used to be the majority shareholder in AGA but sold its remaining shareholding to Paulson & Co in 2009. Although listed primarily on the JSE, the majority of AGA shareholders are now from the USA and collect the major dividends there.

Figure 6: Geographic location of shareholders



COMPANY PERFORMANCE 2010

The annual report for the financial year to December 2010 notes an excellent year for the company. The 'rebuilding of financial foundations through the reconstruction of the balance sheet, and the progress on improving operational performance all point to 2010 being a landmark year for AngloGold Ashanti. Combined with a steadily strengthening market and price for our product, we see a bright future for the company, our shareholders, our employees and all our business partners'.

Revenue shows a steady increase over the past six years, sometimes increases have been smaller than others but the direction is steadily upwards. Profits at AGA have been under pressure, particularly in 2008. However, this is when AGA launched its Project One strategy with the five year goal to reduce accidents, cut costs and increase profits. While there is still a high accident rate at the company, the strategy does seem to have paid off in terms of turning the cutting costs and showing a profit. This turnaround is further reflected in the increased dividends that have been paid to shareholders for 2010.

Figure 7: Revenue at AGA 2005 - 2010

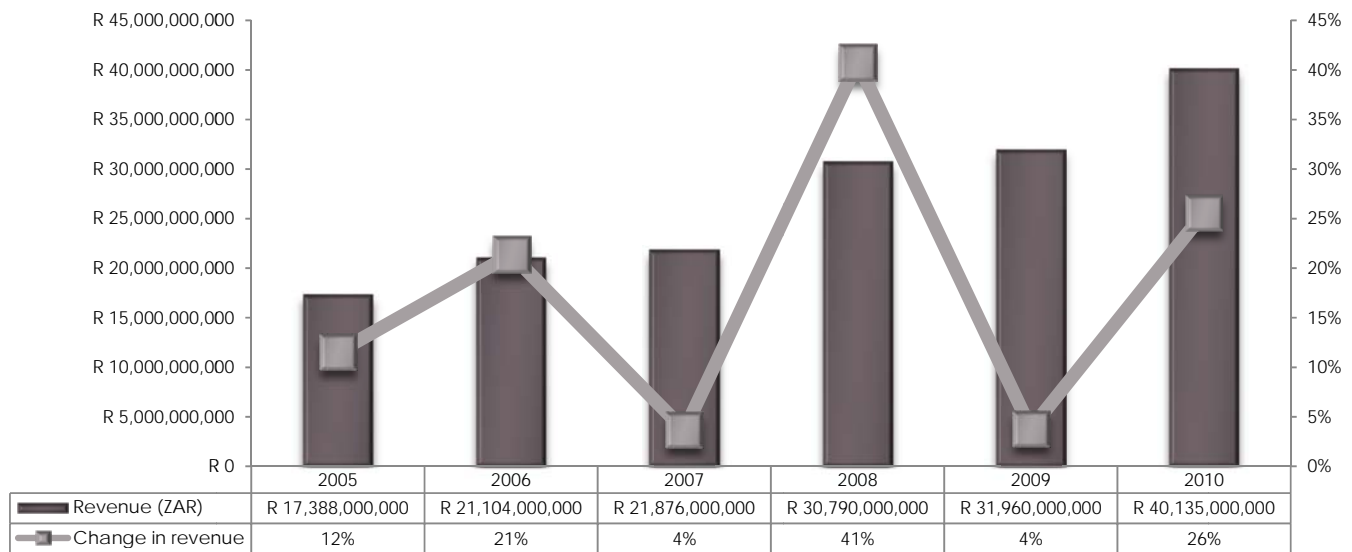


Figure 8: Profit at AGA 2005 - 2010

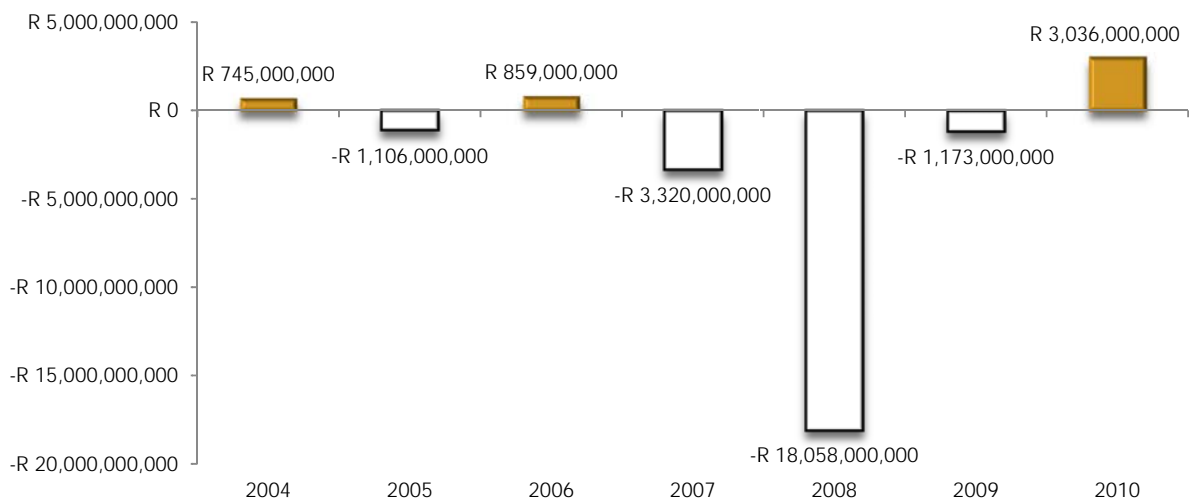
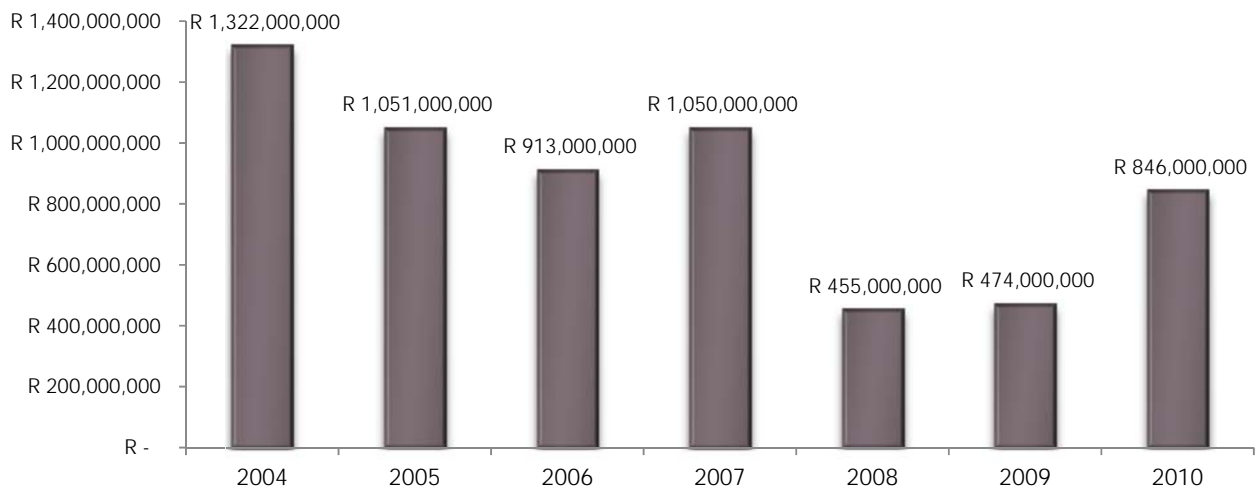


Figure 9: Dividends at AGA 2005 - 2010



2011 and onward forecast

The outlook for 2011 and the results as they are coming in for the quarters show a company on a positive path in terms of performance, if not the health and safety of the workers.

First-quarter profit for 2011 jumped more than fourfold as AngloGold cancelled forward sales of gold and prices advanced to a record high. Profit attributable to shareholders rose to \$241 million (R1.6 billion) from \$56m in the previous quarter. These earnings were again increased in the second quarter of 2011.

Industry commentators assert that financial confidence is returning to the mining sector, and importantly also to the governments in their infrastructure plans which draws heavily on the minerals and metals mined. While this may happen more cautiously than some analysts are predicting, African governments are looking to mining and infrastructure to support their development goals into the next decade. In every area of mining at the 2011 Mining Indaba in Cape Town an upturn in fortunes has been seen and is further predicted

The mining sector in Africa is viewed by many African governments as the key to unlocking development money and they are keen to sign contracts. While South African companies will be competing with companies from Canada to China workers should ensure that this competition does not result in a race to the bottom for workers' pay and conditions.

CORPORATE GOVERNANCE

Directors

Executive Directors

Chief executive officer: Mark Cutifani Appointed to the board on 17 September 2007 and as chief executive officer on 1 October 2007. Chairman of the Executive Committee and a member of the Transformation and Human Resources Development, Safety, Health and

Sustainable Development, Investment, Party Political Donations, Risk and Information Integrity committees. He is currently Vice-President of the South African Chamber of Mines.

Finance Director - Mr S Venkatakrishnan

Non-Executives

Chairman - Mr TT Mboweni appointed to the board and as chairman on 1 June 2010. Labour Minister of South Africa from 1994 to 1998.

Other non-executive directors as at year end December 2010

TJ Motlatsi (Dr), FB Arisman, R Gasant, WA Nairn, LW Nkuhlu (Prof), F Ohene-Kena, S Pityana

Directors' Fees – Mining Sector 2007 - 2009

The mining sector globally and in South Africa includes several of the largest companies in the country. The average salary and remuneration for both CEOs and executive directors as a group is well above that of most other sectors in South Africa.

Table 9: Mining sector CEO average salary and remuneration 2007 - 2009

CEO	Average Salary	Average Remuneration
2007	R 6,222,778	R 16,620,333
2008	R 7,979,119 (28% increase)	R 15,795,133 (-5%)
2009	R 8,273,848 (4% increase)	R 16,701,689 (4% increase)

Table 10: Mining sector Executive director average salary and remuneration 2007 - 2009

Executive Directors	Average Salary	Average Remuneration
2007	R 3,603,000	R 11,360,767
2008	R 3,883,750 (8% increase)	R 7,795,078 (-31%)
2009	R 5,206,063 (34% increase)	R 10,080,694 (29% increase)

Directors' Fees – AngloGold Ashanti

Currently, executive director remuneration consists of a salary; annual bonus; long-term incentives; pension and medical aid benefits. The average salary of executive directors in 2010 amounted to R 9,231,000 million per annum. The average remuneration of executive directors in 2010, after including other benefits but excluding gains from share incentives, amounted to R 18,968,500. For the CEO the figure is higher with a salary of R11, 447, 000 which nearly doubles to an annual remuneration of R 22,424,000.

In justifying the high remuneration awarded to him for the 2010 year, the CEO noted in an interview that the remuneration reflects the delivery of key objectives getting the company into a profitable position and hitting milestones. However, it is not just the management that has to perform for that to happen. An earlier study on AGA noted that mining is a dangerous occupation where workers continually lose their lives and even if they manage to escape death or injury their working conditions make them susceptible to developing terminal and/or debilitating ailments and sicknesses. The meagre income workers earn, relative to those who

own and manage the mines, is not sufficient to sustain a single worker let alone his family. Unfortunately, mention is made neither of addressing income inequality within the company's corporate governance framework nor for any space or forum to be created for workers, trade unions or civil society to discuss this important issue. There is no internal policy, plan or campaign by the group or any understanding or arrangement with the trade unions to address the gross inequality between workers and directors.

Table 11: AGA CEO fees 2008 - 2010

Financial Year	Salary	Benefits	Bonus	Total Annual Remuneration
2008	R 9,513,000	R 1,501,000	R 5,877,000	R 16,891,000
2009	R 10,807,000	R 2,547,000	R 7,627,000	R 20,981,000
2010	R 11,447,000	R 2,434,000	R 8,543,000	R 22,424,000

The CEO did not receive any LTI payments in the years considered. As of the date of the annual report – 11 March 2011 - he has 247, 486 shares outstanding. At current share price (ZAR 306.03 – 12 May 2011) these have a value of R75, 738,140

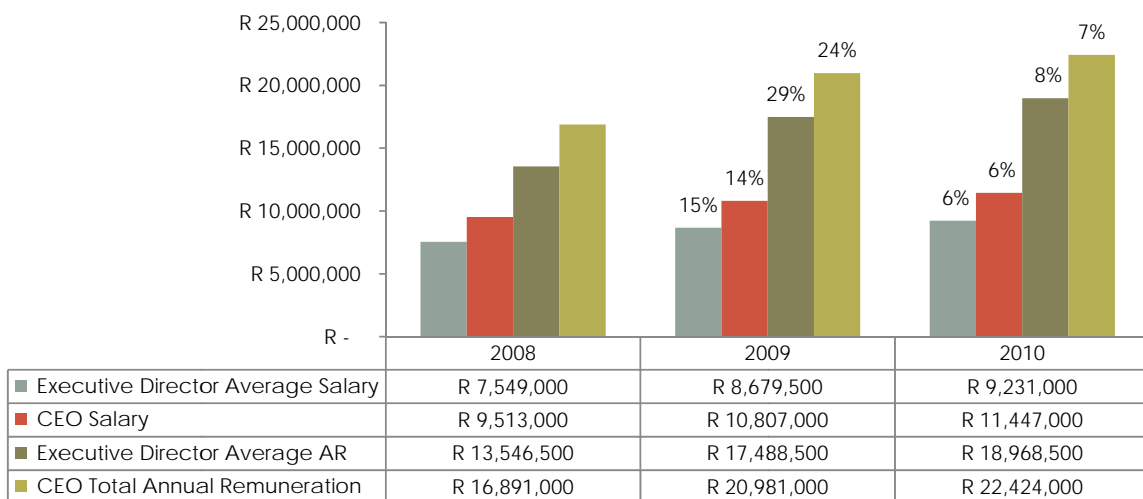
Table 12: AGA Executive Director fees 2008 - 2010

Financial Year	Number of EDs	Total Salary	Total Annual Remuneration	Long-term incentive payment made	Average Salary	Average Annual Remuneration
2008	2	R 15,098,000	R 27,093,000	R 1,837,000	R 7,549,000	R 13,546,500
2009	2	R 17,359,000	R 34,977,000	R 2,621,000	R 8,679,500	R 17,488,500
2010	2	R 18,462,000	R 37,937,000	-	R 9,231,000	R 18,968,500

Table 13: AGA Non-executive director fees 2008 - 2010

Financial Year	NEDS	Total Fees	Average Fees
2008	10	R 5,470,000	R 547,000
2009	8	R 6,088,000	R 761,000
2010	9	R 7,211,000	R 801,222

Figure 10: Executive fee increases 2008 - 2010



Governance and Labour Policy

While the company claims a value-system and an approach to business based on consideration of interests of workers and communities surrounding operations of the company, studies and reports point to poor performance in the fields of labour and environment policies and practices.

The company states in its Report to Society, that where laws and regulations are non-existent or inadequate in locations where it operates, the company will maintain the highest reasonable regional standard for that location. Furthermore, its practices and policies remain in compliance with the values enshrined in the King report and the U.S. Sarbanes-Oxley Act. The Global Framework Agreement further commits the company to certain minimum standards wherever it operates and to make its best efforts to ensure that all subsidiaries do the same.

Governance and Environmental Policy

The company has a stated environmental policy and has participated in numerous environmental forums at mining conferences (notably the Mining Indaba 2011 in Cape Town, South Africa) to state its commitment to environmentally sustainable mining because, as the CEO stated, he has seven children who will inherit the legacy of his actions. The GFA further commits the company to safe and healthy environment to industry best practice.

Despite this, there is a long history of environmental accidents and destruction in the company. Most recently AngloGold Ashanti received the Public Eye Award 2011 awarded by the Berne Declaration and Greenpeace Switzerland. The award is made to companies with poor corporate accountability on working conditions, environmental sins, intentional disinformation, or other disregards of corporate social responsibility. AGA was given the award for the contamination of land and poisoning of people from gold mining in Ghana. Mining waste contaminates rivers and wells, from which entire villages must drink. The rivers dry up or die. In addition, local residents were occasionally tortured in the company's guard house; some cases resulted in fatalities. Severe human rights violations in connection with the project have been documented. Alleged suspects were tortured in company-owned guard houses before being handed over to the police and dogs set on people—fatalities have occurred as a result.

Governance and Safety & Health Policy

AngloGold states that its policy provides the foundation for the company's commitment to improving health and safety performance.

Despite this apparent vigilance, health and safety issues remain of grave concern to unions and are listed high on their demands to the company across operations. In South Africa alone 75 mine deaths have been reported thus far in 2011 following the death of a miner at AGA's Mponeng mine and a further death at a mine belonging to First Uranium (where AGA has a stake) in August 2011. This follows an earlier death at the Mponeng mine in May 2011 when a driller was killed by a rock-fall. Mponeng is one of the deepest mines in the world and is part of a trio of the company's West Wits operations that in 2010 collectively produced 1,78-million ounces of gold or 39 per cent of group output. The concern for workers is that despite talk of improvements, the focus of companies remains on profit rather than safety. 'When they talk about production, we normally see improvement,' commented a NUM spokesman, 'But they

even hide that improvement and blame laziness on the part of workers. When it comes to safety, they say they are doing their best by we don't see that improvement'.³

The difficulty is that the improvement in health and safety procedures currently proposed by the company will come at a further cost to workers. AGA has announced that it is moving ahead with technology that will switch its mining from conventional, labour-intensive mining to an automated process which will allow the company to mine far deeper, 24 hours a day and with reduced accidents and fatalities that have become increasingly common in mines of great depth thus reducing the declining gold production trend in South Africa. However, this technology will also greatly reduce the number of workers required by a factor of as much as ten, which is clearly of concern to the union. The company has promised to get the union involved in the process of transition⁴

Further issues of safety and regard for human life have been raised following the shooting at the Obuasi Mine in Ghana. It appears that in August 2011 a security guard shot a 23 year-old in the back at the mining operation. Private security firms are not permitted to carry firearms. Despite signing the Voluntary principles on Security and Human Rights this shooting follows a similar incident at the Obuasi operation in 2005 where a man was also shot by a team of security personnel made up of the Company's security.⁵

Corporate Social Responsibility

Participants at the March meeting reported on CSR programmes run by the company across operations. In South Africa they support ABET, home-based care and rural community development. In Mali the programme includes building schools, providing health facilities, supporting water supply and running environmental reconstruction programmes. However, as before the problem in Tanzania is noted as a lack of CSR in the Geita community from whence most of the workers on the mine are drawn.

CHALLENGES FOR THE COUNCIL

At the meeting in March 2011 it was agreed that the network of the trade union representatives was to co-ordinate communication and solidarity among the unions and their members at AGA operations. The structure will be called the **AGA Africa Continental Shop Stewards Council**. The council will be co-ordinated by Tafa Moya (NUM AGA Co-ordinator), assisted by ICEM's Fabian Nkomo. The council will meet once a year and FES agreed to consider supporting ICEM in the convening of the council. The Chairperson of the council will be elected at each council meeting.

Some challenges to be addressed by the council were raised both in the research and in the workshop. This section makes recommendations on how some of these issues can be taken up.

³ Business Live, 'SA mine deaths on the rise again', 13 August 2011

⁴ Business Day, AngloGold offers hope for mining revolution in SA, 15 August 2011

⁵ Ghanaweb, 'Another shooting incident at AngloGold Ashanti Obuasi Mine, 12 August 2011

Implementing the Global Framework Agreement – organisation building

During discussion it emerged that shop stewards from Ghana, Namibia and Tanzania did not know about the Global Framework Agreement as communication around the agreement had not filtered down to them. ICEM undertook to issue copies of the agreements to the shop stewards and their unions.

For proper implementation of the GFA it is imperative that people know not only that the agreement exists, but what it means, what they can use it for and how to use it.

In its presentation to the meeting in March 2011 the company noted that AngloGold Ashanti is

'committed to the aims, objective, fundamental principles and values outlined in the agreement...' however, 'The intent of the agreement with ICEM is to enhance but not interfere or replace principles and practice in place locally as a result of local legislation, regulations or collective bargaining. The execution of labour relations is thus done at mine level. For example, the right to strike exist in the context of local legislation, regulations and local collective bargaining agreements.'

It is essential therefore for unions to know and understand the opportunities and limitations of the agreement. The GFA is for building unions in order to mobilise membership to make gains at local level within the context of local labour laws and practices.

It is therefore recommended that not only the GFA but a toolkit or practice notes are made available to shop stewards popularising the agreement among all workers so that they know their rights within the company and also become the first level of monitoring for infringements of the agreement by the company.

Organising

The GFA opens up space for national unions to organise. It is by organising and building strong unions that other gains are achieved.

Recruitment at new operations: The council should note and monitor the expansion of the company into new regions and deploy organisers to recruit new employees to increase union representation and defend the rights of new employees.

Recruitment across all forms of employment: Unions to recruit workers in all forms of employment and across grades and job functions

Collective bargaining: Trade unions will intensify collective bargaining in all countries and share their experiences with each other.

Solidarity

The GFA means that all workers have the same right to organise and to bargain collectively. The network and ICEM will support those unions in their efforts to do this. However, this does not take the burden off national unions and local organisers to use the opportunity. ICEM cannot and will not act unless the local unions do.

The focus therefore is on what unions can do, and how the network can work together in solidarity. This is particularly important at AGA as the unions engaging across operations are at

very different stages of organisation, face different challenges and relationships within themselves and with the company. The network exists to assist unions to unlock these issues for themselves.

Out of the reports a number of problems and challenges were identified and some action plans around them developed which addressed these various issues. With regard to the problems in French-speaking Africa - Mali and Guinea, ICEM will visit the unions to engage them around the requirements of building viable organisations that will be able to take up interests of members. With regard to the problems in Tanzania and Namibia, the shop stewards were advised to contact their respective unions, starting at branch to regional and national levels, to get support in tackling the issues. When the problems remain unresolved after this process ICEM would intervene by invoking the channel established with AGA management to deal with the issues.

The violation of labour and social rights and environmental damage in a particular country can become an issue that trade unions in other countries can take up, thus building real forms of solidarity among trade unions internationally. The council goes some way to begin this but processes for communication needs to be addressed.

Information and communication

The alliance needs to actively collect and circulate empirical information on corporate governance policy and practice. In order to highlight the inadequacies of company policy and practice information on these issues need to be made available in an accessible form to trade unions throughout the continent.

Up-to-date information on workers' wages, conditions, on union density and make-up needs to be maintained by the network. This serves the purposes of both encouraging national unions to actively know their members, their conditions and demands, but also to become aware of who is not a member of the union and to devise effective strategies to organise those workers. If this information were centralised it would provide a basis for taking up the challenge of demanding harmonisation of wages and conditions across company operations.

ICEM and the Council should develop communication systems and tools to raise awareness among AngloGold Ashanti workers and the broader public about the struggle of the unions for decent work and decent life.

With this in mind it must be noted that the network covers both Anglo- and Francophone countries and provision must be made to ensure that no single language is favoured.

Corporate Governance

It is clear that despite the various codes to which the company claims to adhere, including the GFA, they do not address the major concerns of trade unions and their members – the improvement in their conditions of work and terms of employment. The need therefore continues for trade unions to engage companies on corporate governance as part of a broader strategy of shifting them from their existing corporate strategies. This opens up the possibilities of highlighting the problems of concentrated corporate power, the terms of employment of workers, the working conditions of workers and the lack of company contribution to broader socio-economic development.

Acknowledgements:

This research was possible due to the strong motivation of the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), a global union that organises in the workers in the energy, mining, chemicals, pulp and paper, rubber, jewellery production, glass , ceramics, cement and associated industries and environmental services sectors. The National Union of Mineworkers (NUM) played a leading role to bring together the relevant unions in the region and the Friedrich Ebert Stiftung (FES) assisted with financial support as well as with logistical support through its numerous offices and staff on the continent. The report hopefully reflects this energetic collaboration and comradely spirit between all these organisations.

With the support of ICEM and FES

APPENDICES:

APPENDIX 1: Questionnaire for unions organising at AngloGold Ashanti (in English)

APPENDIX 2: Unions Present at the March 2011 Workshop

APPENDIX 3: Trade Union Rights and Collective Bargaining

APPENDIX 4: Union Prioritisation of Workers Demands

APPENDIX 5: Trade Union Comparison of AGA Wages, Working Hours, Training and Working Conditions

APPENDIX 6: Industrial Action and Company Responses

APPENDIX 7: Trade Union Perceptions of Management

APPENDIX 8: Trade Union Identified Challenges at AGA and focus for continental Solidarity

APPENDIX 9: AngloGold Ashanti / ICEM GFA 2009 revision

Appendix 10: Notes on the AngloGold Ashanti / ICEM GFA

Appendix 11: AngloGold Ashanti/ ICEM global agreement: report on Geita Gold Mine 2011

APPENDIX 1: QUESTIONNAIRE FOR UNIONS ORGANISING AT ANGLOGOLD ASHANTI

Background

An AngloGold Ashanti Africa Continental Shop Stewards' Council was organised by FES with ICEM Africa in March 2011. The meeting reviewed work done on collective bargaining in the company and also work in connection with using the GFA to create space for organising workers at AngloGold Ashanti operations across Africa. Labour Research Services (LRS) was asked by FES and ICEM to present a plan to conduct a research project on the unions organising at AngloGold Ashanti in various African countries. The motivation for the research was to provide practical and useful information to the AngloGold Ashanti Shopstewards Council, so that it can discuss how to develop a programme for engaging AngloGold Ashanti on the continent.

FES asked the LRS to develop a questionnaire for this initial research.

The data to be collected is at a country (not an operational) level.

Below is the research process that was agreed to and the questionnaire itself.

Process

This questionnaire was drafted by the LRS, however, it will be administered and completed by FES offices and the ICEM affiliate organising at AngloGold Ashanti in various African countries. The questionnaire will be distributed to participating shop stewards following the presentation of the plan at the Shop stewards' Council. The LRS representative will go through the questionnaire to clarify the questions and the data required.

An FES staff member will contact the General Secretary of the ICEM affiliate in the country to clarify purpose of the project and to ask for a trade union official/member with whom to liaise and who would facilitate the completion of the questionnaire with the shop steward at AngloGold Ashanti.

The trade union appointee will complete questionnaire and gather the required information with the AngloGold Ashanti shop steward and submit it to FES office in the country by **20 April 2011**

FES staff will check and then clarify responses, data and attached documentation with the appointed union person if necessary.

FES staff will then send the completed questionnaire and accompanying documentation to Michelle Taal (LRS)

Labour Research Service will analyse the questionnaires, collate the information and provide a synthesis report to FES and ICEM for comments.

Suggested Countries that this project will cover:

South Africa is the home country of AngloGold Ashanti and where most of its operations are.

Other countries with AngloGold Ashanti operations in Africa: Namibia, Tanzania, Ghana, Guinea, Mali

Contact Details:

Gerd Botterweck

Director, TU Competence Centre

Friedrich-Ebert-Stiftung

P.O. Box 412664

Craighall Park 2024

ZA-South Africa

Phone: +27-11 341 0270

Fax: +27-11 341 0271

Email: gerd.botterweck@fes-southafrica.org

Michelle Taal

Labour Research Service

P.O. Box 376

Woodstock

7915

South Africa

Tel: +27214471677

Fax: +27214479244

Email: michelle@lrs.org.za

COUNTRY:

Name of FES Staff Member working on this project:

Address:
Email:

Telephone:
Work:
Mobile:

Name of Shop Steward working on this project:

Name of AngloGold Ashanti operation where Shop Steward works:

Number of years as a shopsteward:

Job function at AngloGold Ashanti:

Number of years at AngloGold Ashanti:

Address:
Email:

Telephone:
Work:
Mobile:

Telephone:
Work:
Mobile:

Name of Trade Union Official working on this project:

Name of Trade Union

Position held at Trade Union:

Address:
Email:

QUESTIONNAIRE

UNIONS AT ANGLOGOLD OPERATIONS:

1. Which Unions organise in the AngloGold Ashanti in your country?

Name of Union/s involved in bargaining	ICEM Member (Y/N)	Contact Details
		General Secretary: Address: Telephone:

2. If there is more than one union organising in the AngloGold Ashanti Group, are all recognised by the AngloGold Ashanti

management? (please provide copies of recognition agreements if available)

YES	NO
-----	----

Unions with a recognition agreement	Unions with no recognition from AngloGold Ashanti

3. If there is more than one union, which ones participate in collective bargaining?

Unions That Take Part In Collective Bargaining	Unions That Do Not Take Part In Collective Bargaining

4. If there is more than one union organising in the AngloGold Ashanti Group do the unions cooperate?

5. If yes, how do you describe the level of cooperation?

No Cooperation	Weak	Effective
----------------	------	-----------

6. If yes, which unions cooperate with each other during collective bargaining with AngloGold Ashanti?

7. On what other issues do unions cooperate? (provide examples)

8. How many full-time shopstewards are there in AngloGold Operations?

9. Please provide the number of all AngloGold Ashanti employees, members of union that is an ICEM affiliate and or belonging to other unions. (If gender breakdown is not available just fill in the totals)

10.

Name of Union (ICEM Affiliate) _____

	Number of Workers at AngloGold Ashanti			Number of AngloGold Ashanti workers belonging to ICEM Affiliate		
	Men	Women	Total	Men	Women	Total
Full-Time						
Casual / Temporary						
Contracted						
Total						

If there is another union organising at AngloGold Ashanti, please provide information in the table on the right.

Name of Union:

	Number of AngloGold Ashanti workers belonging to Union		
	Men	Women	Total
Full-Time			
Casual / Temporary			
Contracted			
Total			

UNION RELATIONSHIP WITH MANAGEMENT:

1. Do unions face any resistance from the company when they try to organise workers? (If yes, give examples of what the company does to prevent the union from organising workers)

2. Does the company allow the union/s to distribute information to workers at the workplace? (Give examples if unions were prevented from distributing information)

3. Does the company allow union representatives to meet with workers and shop stewards on the company premises? (If no, give examples where union representatives were refused the opportunity to meet)

4. Does the company restrict entry to certain sections of the business premises to union representatives? (If yes give examples where union representatives are denied entry)

KEY ISSUES FOR WORKERS:

1. What are the main grievances of workers at AngloGold Ashanti identified by the workers and union?(Wages, Working Hours, Fear of Retrenchment, Short Term Employment contracts, Casualisation, Organisational Rights, Health and Safety Issues, Management Style, etc)

Please give a maximum of three in order of most the important.

- 1.
- 2.
- 3.

2. Do casual and temporary workers have different grievances from full-time workers? (Give examples of specific grievance of casual and temporary workers)

3. Do contracted workers have different grievances from full-time and temporary workers? (Give examples of specific grievances)

1. Do workers experience any discrimination from AngloGold Ashanti when joining the trade union? (If yes, give examples)

- Do workers experience any intimidation from AngloGold Ashanti when joining the trade union? (If yes, give examples)

WAGES AND CONDITIONS:

- What is the minimum wage for a full-time worker at AngloGold Ashanti?

(please state if this is weekly or monthly and the date this wage came into force)

- How does this compare with other mining companies in the country?

Worse	Same	Better	Much Better
-------	------	--------	-------------

- What is the minimum hourly wage rate of a casual worker at AngloGold Ashanti?

- How does this compare with other mining companies in the country?

Worse	Same	Better	Much Better
-------	------	--------	-------------

- What is the minimum wage for a contracted worker at AngloGold Ashanti?

(please state if this is weekly or monthly and the date this wage came into force)

- How does this compare with other mining companies in the country?

Worse	Same	Better	Much Better
-------	------	--------	-------------

- On average, how many hours a week do full time workers work at AngloGold Ashanti?

- On average, how many hours a week do casual workers work AngloGold Ashanti?

- On average, how many hours a week do contracted workers work AngloGold Ashanti?

- How do you compare the working hours at AngloGold Ashanti with other mining companies in the country?

Fewer hours	Same	More hours	Much more hours
-------------	------	------------	-----------------

- Do workers receive any training through AngloGold Ashanti? (If yes, please describe the nature and duration of training)

- Is training

Inadequate	Adequate	Good
------------	----------	------

7. How do you compare the working conditions in AngloGold Ashanti with what is stipulated by law (acts governing labour relations)?

Worse	Same	Better	Much Better
-------	------	--------	-------------

RELATIONSHIP WITH MANAGEMENT:

1. What is your opinion of the management style at AngloGold Ashanti? (tick the box in either the right or left column - if not sure than don't tick)

1	Involves Shop Stewards in decision making	Decisions are made unilaterally by management
2	Workers are consulted about operational changes by management	Workers are only instructed to carry out changes by management
3	Supervision is constructive	Supervision is oppressive
4	Workers are appreciated as contributors to the AngloGold Ashanti	Workers are seen as a cost to the AngloGold Ashanti
5	Workers are treated with respect	Workers are treated in a disrespectful manner
6	Management is not racist	Management is racist
7	Management is not sexist	Management is sexist

2. Have there been strikes by workers at AngloGold Ashanti in the past 3 years? (If yes, provide the dates and duration)

Date and Duration Strike	What Was The Major Issue/s	Number of workers involved	How was it resolved? (e.g. did workers succeed, fail, or did they reach a compromise?)

3. Were there any other forms of activities, protests or industrial actions by workers at AngloGold Ashanti (e.g., pickets, go-slows, stayaways, media highlighting workers' issues, etc)? Provide details of this and state what the issue that sparked it was and also how successful it was)
4. What was the reaction of AngloGold Ashanti management to the strike or other forms of actions? (e.g. did they threaten workers with dismissal, did they respect the right of workers to

- strike, did they victimise strikers, did they try to divide the workers – please give examples)
5. Did government ever intervene in a dispute between unions/workers and AngloGold Ashanti?

 6. Was government's intervention positive or negative for the union/workers? (explain what the issue was and how government intervened)

CHALLENGES:

1. List the most important challenges that the union has identified at AngloGold Ashanti? (e.g. Increase the number of members; Gaining recognition agreement from the company; Improve collective bargaining with the company, training shop stewards, etc.)

2. Briefly state what the union is doing presently to meet these key challenges

BUILDING THE NETWORK:

1. Are the members of your union aware of the ICEM / AngloGold Ashanti Global Framework Agreement (GFA)?

2. Has your union ever used the agreement in your engagement with management or to report violations of the terms of the agreement to ICEM? (If so, please describe briefly)

3. Has your union ever used the agreement as an organising tool in order to recruit workers or in campaigns? (If so, please describe briefly)

4. What benefits does your union hope to draw from the GFA?

5. Would your union be prepared to work with unions in other African countries that organise at AngloGold Ashanti?

6. If yes, what do you think the main focus issues should be?

7. What do you think will be the benefits for your union?

8. Do you have any recommendation for organising workers in AngloGold Ashanti?

9. Do you have any recommendations about how to build solidarity between workers in AngloGold Ashanti in different African countries?

APPENDIX 2: UNIONS PRESENT AT THE MARCH 2011 WORKSHOP

Country	Union	
Ghana	Ghana Mineworkers Union	GMU
Mali	Syndicat national des constructions civiles, des mines et de l' énergie	SYNACOME
Namibia	Mineworkers Union of Namibia	MUN
South Africa	National Union of Mineworkers	NUM
Tanzania	Tanzania Mines and Construction Workers Union	TUICO

APPENDIX 3: TRADE UNION RIGHTS AND COLLECTIVE BARGAINING

Country	Mali	South Africa	Tanzania
Union	SYNACOME	NUM	TAMICO
Recognition Agreement	YES	YES	NO
Bargains with Company	YES	YES	NO
Company Resists Unionisation	YES, by intimidation	NO	YES
Company Allows Distribution of Information	YES	YES	NO
Allows Union To Meet Workers On Premises	YES	YES	NO
Discrimination Against or Intimidation of Union Members	YES	NO	YES

APPENDIX 4: UNION PRIORITISATION OF WORKERS DEMANDS

Country	Mali	South Africa	Tanzania*
Union	SYNACOME	NUM	TAMICO
First priority	Wages	Wages	Right to organise and collective bargaining
Second Priority	Fear of retrenchments	Fear of Retrenchments	Health and Safety
Third Priority	Management style	Safety due to mine depth	Discrimination
Casual/ Contract workers main demands	Same for casual but with added problem of getting permanently hired	Same for all workers	Short term employment contracts; low wages; Fear of retrenchment

*TAMICO lists four further priorities: Management style which is full of threats; Black listing of employees whose contracts are terminated; Wages; Use of government officials in making sure TAMICO does not have the right to organize in the mine.

APPENDIX 5: TRADE UNION COMPARISON OF AGA WAGES, WORKING HOURS, TRAINING AND WORKING CONDITIONS

Country	Mali	South Africa	Tanzania
Union	SYNACOME	NUM	TAMICO
Compare Wages with Other Mining Operations	Better (FT) / Better (Casual) / Same (Contract)	Same (FT, Casual & Con)	Same (FT) / Worse (Casual & Contract)
Compare Working Hours with Other Mining Operations	Same	Same	Not disclosed
Quality of Training	Adequate	Good	Inadequate
Compare Working Conditions with Labour Law	Same	Better	Worse

APPENDIX 6: INDUSTRIAL ACTION AND COMPANY RESPONSES - STRIKES

Country	Mali	South Africa	Tanzania
Union	SYNACOME	NUM	TAMICO
Duration of Strike	48 hours in February and May 2010	18 - 20 August 2009	NA
Major Issue	Closure of social plan and request for participation on the board and acquisition of shares	Opposition to sale of mine to Simmers & Jack under section 197 of LRA	NA
Number of Workers	All	4000	NA
Resolution	Compromise	Company got interdict from Labour Court because the strike was not protected. Union engaged the company and no disciplinary action was taken against workers.	NA
Company Responses to Strikes	Attempts to divide workers	The strike was unprotected and AGA interdicted union in order to instruct workers to go to work. Union had engagements with company and workers were not disciplined	NA
Government Responses to Strikes	No intervention	No intervention	NA
Other forms of protest	NO	NO	Yes - Rally held 26 March 2011 demanding compliance with labour laws*

Management Responses to Other forms of Protest	NA	NO	NA
Government Responses to Strikes or Other forms of Protest	NA	NA	NO

*... Other issues raised at the protest noted by TAMICO:

- They also demanded that management effect the deductions of union dues from 315 new members submitted in January and February 2011.
- Management should stop removing TAMICO members from payroll list without following a laid down procedure of one month notice and the use of form no.4 when remitting union dues.
- They also condemned the management for not involving/consulting the union during the retrenchment of 53 employees, 28 of whom are union members.
- Increases of work related illnesses such as backaches for dump trucks operators caused by poor working environment e.g. long working hours which in most cases cause fatigue and lead to fatal accidents as recently as May 2010. In this fatal accident, neither TAMICO nor Occupational Safety and Health Agency (OSHA) of the ministry of Labour were involved on the investigation of this double fatality. Despite GGM Management being alerted by TAMICO about the backache situation, they have not taken any initiative towards solving these problems. All victims of backaches cases end up being retrenched unfairly without even being treated. Management claims that these are not work related illnesses.
- TAMICO as a registered trade union at workplace in collaboration with management should form a workers' forum as required by the law and stop using forum called WRC in negotiating on behalf of all GGM workers.
- Due to the fact that majority of GGM employees are living in Geita town. GGM should contribute to social amenities such as tarmac roads, clean water and electricity since its employees are also enjoying these facilities.

APPENDIX 7: TRADE UNION PERCEPTIONS OF MANAGEMENT

	SYNACOME	NUM	TAMICO
Shop stewards Involved in Operational Decisions	YES	YES	NO
Workers Consulted about Operational Changes	YES	YES	NO
Supervision (Constructive or Oppressive)	ND	Constructive	Oppressive
Management's View of Workers (Contributors or Cost)	Cost	Cost	Cost
Management's Treatment of Workers (Respect or Disrespect)	Respect	Respect	Disrespect
Racist	Racist	Not racist	Racist
Sexist	ND	Not sexist	Not sexist

APPENDIX 8: TRADE UNION IDENTIFIED CHALLENGES AT AGA AND FOCUS FOR CONTINENTAL SOLIDARITY

Country	Union	Major Challenge	What is Union Doing	Do you have any recommendation for organising workers in AngloGold Ashanti?
Mali	SYNACOME	Negotiation of the annual list of demands, negotiation of collective agreement on mines	Preliminary consultation before the various negotiations	Dissemination of the GFA // Setting up a monitoring mechanism of the agreement // Promote and intensify contracts with other unions
South Africa	NUM	(1) The challenge is to extend the bargaining unit to cover D-band employees for the bargaining process	(1) Union has tabled the demand to the Chamber of mines where terms and conditions of employment are negotiated.	All unions who are affiliated to ICEM must use the GFA for organisational rights in order to recruit workers. Where there is resistance on the part of the company, other unions must show solidarity by engaging on protest marches to AGA offices
Tanzania	TAMICO	Threats of management No recognition agreement signed Access to training limited to leaders Organizational rights is denied to members	(1) Mostly we use Commission for Mediation and Arbitration (CMA) at Mwanza Tanzania to mediate organizational rights disputes at GGM. (2) Shop steward training to enable workers /members to understand their organizational rights	(1) To establish field branches (2) To establish one network tool to bring us together (3) To enhance trade union education (seminars, workshops) and labour laws training

Country	Tanzania	South Africa	Mali
Union	TAMICO	NUM	SYNACOME
Prepared to work with other African unions in AGA	YES	YES	YES
What should be the focus	(1) To establish a networking (2) To exchange ideas, experiences as regard to problems we face at work places (3) Global CBAs within AGA workers	To recruit members and those unions must be independent and self-sufficient, also strong to represent members' interests	Exchange of experiences, Better understanding of the policy of AGA
How will it benefit your Union	(1) Resources increase in the membership (2) Exchanging ideas on work environment approach (3) Knowledge and skills sharing about trade unionism (4) How to go about Recognition Agreement and CBAs process as per country labour laws	AGA will not move to other African countries and lower the standard of conditions of employment and that it will not exploit workers in other African countries because the unions there are weak and depend on the company financially	Establishing a good working environment for workers and AGA //good knowledge of the management policy of AGA in other countries
Recommendations to build continental solidarity between workers in AGA	(1) Collective Bargaining Agreement (CBAs) (2) Building solidarity through social dialogue at work places (3) Seminars / trainings and discussing issues relating to decent work	There should be union interaction in Africa and that unions should communicate with one another regarding challenges they are facing	Establishment of a network of communication and information // organisation of working visits and periodic exchanges in different countries
Other	To form teams of sports e.g. Football, netball, table tennis and other related games so that we can have an opportunity to interact.		Setting up a monitoring committee of the GFA. This committee will be composed of at least one member from each unions companies. The periodicity of the meeting respected monitoring committee.



GLOBAL AGREEMENT

GLOBAL AGREEMENT

between

ANGLOGOLD ASHANTI LIMITED
(AngloGold)

and

INTERNATIONAL FEDERATION OF CHEMICAL,
ENERGY, MINE AND GENERAL WORKERS' UNIONS
(the ICEM)

on

THE PROMOTION AND IMPLEMENTATION OF GOOD HUMAN
AND INDUSTRIAL RELATIONS IN ANGLOGOLD OPERATIONS WORLDWIDE

1. PREAMBLE

- 1.1 AngloGold is a South African based gold mining company with business operations in several countries around the world. The ICEM represents trade unions that organize workers in the mining industry worldwide.
- 1.2 AngloGold and the ICEM record their mutual interest in the development and sustainability of the gold mining industry worldwide, and in good human resources and industrial relations practice.
- 1.3 AngloGold and the ICEM agree to give practical effect to their common interest and accordingly enter into this agreement to:

Create an effective channel for an ongoing dialogue between them to protect their mutual interests;

Advance and affirm the principles and values of internationally accepted labour relations and human resource practice;

And establish a procedure for the resolution of disagreements that may arise from time to time.



- 1.4 In pursuance of this objective and of advancing the interests of all stakeholders in the gold mining industry the parties seek to promote an industry that is safe, humane and productive

2. APPLICATION

- 2.1 This agreement is intended to apply to operations, wherever situated, over which AngloGold has direct managerial control. The parties are committed to developing trusting and constructive relations to ensure effective application of this agreement.
- 2.2 The parties intend for this agreement to enhance but not to interfere with or replace principles or practices already established in terms of local legislation or regulation or through collective bargaining.
- 2.3 AngloGold respects the right of its employees to freely decide whether or not to establish or to associate with any legitimate trade union of their choice. AngloGold shall remain strictly neutral concerning its employees' choice in the matter.
- 2.4 In instances where AngloGold does not have direct control or in the case of subsidiaries the company will exercise its best effort to secure compliance with the standards and principles set out in this agreement in accordance with the economic, labour and cultural realities specific to each country in a spirit of continuous progress.

3. FUNDAMENTAL PRINCIPLES AND VALUES

The parties respect the following principles and values:

- The promotion of universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, gender, language, national extraction, social origin, political opinion or religion;
- The rights of freedom of association with due regard to the principles underlying ILO Convention 87;
- The determination of the terms and conditions of employment through appropriate mechanisms, with due regard to the principles underlying ILO Convention 98;
- The elimination of all forms of forced and compulsory labour as proscribed by ILO Conventions 29 and 105;
- the effective abolition of child labour as proscribed by ILO Conventions 138 and 182;

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- the elimination of discrimination and the promotion of employment equality in respect of employment policies and practices, with due regard to ILO Conventions 100 and 111;
- the provision of a safe and healthy working environment by the application of industry best practice;
- the conduct of mining operations with proper regard for the environment and for the health and safety of all those involved, and the public at large;
- The promotion of good relationships with local communities and a positive and meaningful contribution to community activities;
- The promotion of a socially responsible approach to the restructuring of its units and activities, including adequate notification of changes likely to affect the workforce, surrounding communities and the environment ;
- The promotion of those principles and values referred to in the Global Reporting Initiative (GRI) and the United Nations Global Compact.

4. IMPLEMENTATION

Review and Application:

- 4.1 The parties agree to meet annually at corporate level, that is not at operational or regional level, to review past practice and to preview future plans relevant to their interests, and to discuss the terms of this agreement.
- 4.2 In addition to the general industrial relations issues and health and safety and the environment, the following topics may be discussed at corporate level, if so agreed in advance:
 - General corporate policy on employment, occupational health, safety and environmental issues and challenges affecting those within the company and, as appropriate, between the company and its related companies including suppliers and subcontractors;
 - The economic and financial position of the company and the development of its business and related activities;
 - Training and education matters;
 - Issues affecting the exercise of trade union rights;
 - Any other issues mutually agreed upon.

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4.3 An ad hoc sub-committee will be established when necessary to consider plans and proposals placed before it by either party following any alleged breach of accepted standards of conduct that could not be resolved at corporate level as per 4.1.

4.4 Information Sharing and Training:

The parties agree to distribute copies of this agreement throughout their organisations to each appropriate level and area, and to advise the parties of their rights and duties under this agreement in the relevant language of the country concerned. (Additional wording).

4.5 AngloGold Ashanti will consider facilitating meetings between shop stewards from relevant operations when specific issues of common interest are identified such as labour relations training and collective bargaining training, and where it is agreed by the parties to be in the interests of both ICEM affiliates and AngloGold Ashanti.

5. ADMINISTRATION AND DURATION

5.1 The General Secretary of the ICEM or a designated nominee and the Chief Executive Officer of AngloGold or a designated nominee is responsible for the administration of the agreement.

5.2 The agreement will come into effect once signed and remains in force unless otherwise agreed or amended, or terminated by either party giving three calendar months' notice, in writing, to the other.

Signed at MIDRAND RSA on 27 MAY 2009 by

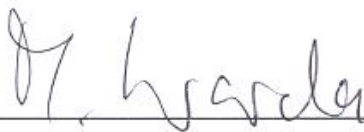
Witness:

1.



2.




Manfred Warda, General Secretary, ICEM



Signed at MIDRAND RSA on 27 MAY 2009 by _____

Witness:

1. [Signature]

2. [Signature]

[Signature]
Robbie Lazare, Executive Vice President:
Human Resources, AngloGold Ashanti Limited

Signed at _____ on _____ by _____

Witness:

1. [Signature]

2. [Signature]

[Signature]
Senzeni Zokwana, President, ICEM

APPENDIX 10: NOTES TO THE GLOBAL FRAMEWORK AGREEMENT (2009 update)

ILO CORE STANDARDS:

- Agreement states the parties 'will give due regard to the principles underlying the conventions', rather than agreeing to abide by them in full.
- *Trade Unions:* AngloGold respects the right of its employees to freely decide whether or not to establish or to associate with any legitimate trade union of their choice. AngloGold shall remain strictly neutral concerning its employees choice in the matter.

OTHER STANDARDS

- Safe and healthy environment to industry best practice
- Regard for environment
- Good relationships with local communities
- Socially responsible restructuring
- GRI and UN Global Compact

SCOPE:

- AngloGold Ashanti: ...apply to all operations, wherever situated, over which AngloGold has direct managerial control.

EXTENSION TO SUBSIDIARIES AND SUPPLIERS:

- AngloGold Ashanti: No mention of suppliers. "In instances where AngloGold does not have direct control or in the case of subsidiaries the company will exercise its best effort to secure compliance with the standards and principles set out in this agreement in accordance with the economic, labour and cultural realities specific to each country in a spirit of continuous progress".

IMPLEMENTATION:

- AngloGold Ashanti: ...The parties agree to distribute copies of this agreement throughout their organisations to each appropriate level and area, and to advise the parties of their rights and duties under this agreement in the relevant language of the country concerned....will consider facilitating meetings between shop stewards from relevant operations when specific issues of common interest are identified such as labour relations training and collective bargaining training, and where it is agreed by the parties to be in the interests of both ICEM affiliates and AngloGold Ashanti.

MONITORING:

- Annual meeting at corporate level between ICEM and AGA "to review past practice and preview future plans and matters covered by agreement.
- An ad-hoc subcommittee to resolve issues outside of the annual meeting at corporate level

AngloGold Ashanti/ICEM global agreement: report on Geita Gold Mine

1 Introduction

The General Secretary of the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) has addressed a letter dated 16 May 2011 to the CEO of AngloGold Ashanti Ltd urgently asking that Geita Gold Mine uphold the Principles contained in the AngloGold Ashanti/ ICEM Framework Agreement, dated 27 May 2009, specifically as contained in Article 3 "Fundamental Principles and Values".

In this letter, the ICEM has asked that the AngloGold Ashanti Corporate Office intervene to prevent the escalation of tensions between Geita Management and the unrecognized ICEM affiliated union Tanzania Mines, Energy, Construction and Allied Worker's Union (TAMICO) which tensions include the disciplinary action against two employees, TAMICO Officials.

Consequently and in accordance with the provision in the Framework Agreement, an *ad hoc* sub-committee was established to investigate the issue and make recommendations in order to prevent tensions from escalating in a conflict between Geita management and the ICEM affiliated trade union, TAMICO. The terms of reference for the sub-committee is attached, annexure 1.

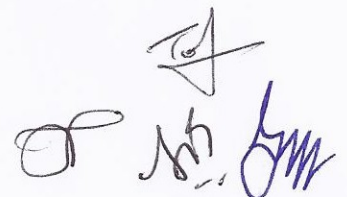
2 Purpose of the Ad hoc sub-committee

A sub-committee as a fact finding mechanism was established comprising of two persons each nominated from ICEM and AngloGold Ashanti respectively to investigate as it sees fit and to make recommendations including plans and proposals, regarding any alleged breach of the agreement and any other matter pertaining to the future interpretation and implementation of the agreement at Geita Gold Mine.

Such written recommendations are to be submitted to the parties as a matter of urgency but by no later than 31 August 2011.

3 Recommendations

The sub-committee, consisting of Fabian Nkomo (ICEM), Tafa Moya (NUM) and Gustav van Veijeren (AGA) visited Geita from Monday, 25 July to Thursday, 28 July 2011. Unfortunately, due to urgent commitments, Abe Bardin (AGA) had to withdraw from the visit to site.



The process followed as well as findings and recommendations are reported below.

3.1 Process followed

The sub-committee extended an invitation to Phil Tano, HR Manager at Geita, to participate in the committee during the site visit. Formal meetings were held with the following people to invite them to share their perspectives on the concerns raised:

- Gary Davies, Managing Director of Geita – to outline the mine operational strategy.
- Mr. Valesi Mbali from the Commission for Mediation and Arbitration – to provide an overview of the labour legislation in Tanzania.
- Phil Tano, to provide the management perspective.
- Tamico office bearers, including the Geita Field Secretary, the Tamico Secretary for the Geita zone and the Tamico Legal Officer for Geita.

In addition, Messrs Nkomo and Moya visited the Tamico offices in Geita town and Gustav van Veijeren met with Geita management.

3.2 Findings and recommendations

The following key findings with associated recommendations are advised:

The current access agreement and code of conduct

The current agreement and code of conduct prohibits Tamico from conducting union business on the mine site. Under the new labour laws in effect from 2004 and 2007 respectively, Tamico would have the right to enter the premises to recruit members, to communicate with members and hold meetings on the premises.

However, under a grandfather provision in the new laws, the current access agreement and code of conduct remain in place until legally terminated as per the provisions in these agreements. Tamico has lodged a legal dispute against the agreements and until this dispute is withdrawn, the current agreements remain in place.

The ad hoc committee is of the view that the current mine agreement is not in the interests of either Geita management or the Tamico. By insisting on a technicality in the law the spirit and intent of the AGA/ICEM Agreement which ensures freedom of association and right to organize is frustrated. Limiting the union activities to Geita town provides opportunities for people with non-union related

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agendas to participate in union meetings, e.g. people with political issues and unemployment issues.

It is recommended that Tamico and Geita management as a matter of urgency complete the process of terminating the current agreements and that they work together to craft a new access agreement and code of conduct which would safeguard the basic labour rights set out in the AGA/ICEM Agreement. In the interim, both management and the union should work according to the provisions new labour legislation.

3.2.1 The union/management relationship

The ad hoc committee found that the current relationship is characterized by mutual suspicion and miss-communication as is evidenced by the hugely different perspectives on union membership numbers.


It is recommended that a formal communication process be implemented with immediate effect. A joint review of union membership in respect of new members as well as membership withdrawals should be established to ensure consensus on union membership numbers. It is also recommended that this takes place after an acceptable time period had been afforded employees to freely decide on their union membership preference.

3.2.2 The current disciplinary cases

Two Geita employees are currently suspended from work after having been found guilty of bad conduct by a disciplinary committee with the sanction of dismissal given previous final warnings on their records. They are respectively the union branch chairman and the union branch secretary.

The ad hoc committee found that there were some grounds for management to review the sanction on the basis that:

- The charges did emanate from a union march outside of Geita, the banners were not held by the accused nor did the accused personally make any derogatory statements towards any specific Geita management individuals. The view from management is noted that the two accused as union leaders are accountable for the behaviour of the people participating in the march. Given that the current access agreement requires all union activities to take place in Geita town, the politicization of the union activities should however be expected.
- Inconsistent application of the old and new labour law exists between the current and previous cases in respect of permissible representation for the accused at the hearings.

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- The previous cases against the two individuals which resulted in final warnings were not work-related but union activity related.

The ad hoc committee noted that the circumstance leading to the march and the subsequent disciplinary actions against the two union office bearers could be attributed to the poor union management relationship and the access agreement. It is thus recommended that the MD acting in conformity with Geita disciplinary procedures and for all the reasons stated in this report not dismiss the two office bearers but that more appropriate sanctions aimed at building the union/management relationship be instituted.

3.2.3 Tamico representation at the Workers Representative Council

Per the Tanzanian labour legislation, the potential number of employees at Geita that fall within employment categories that could become union members is of the order of 1500. Although the actual union membership numbers are in dispute, management claims 19 percent of the workforce are union members.

In order to consult with employees on issues of health, safety and other work arrangements (but excluding conditions of employment and remuneration), Geita has established a Workers Representative Council (WRC):

- The current WRC consist of 39 employees elected from each section of the mine by employees in the section. Of these currently there are 11 Tamico members.
- Of these, 5 WRC members are elected to sit on the WRC Exco. The Geita MD and HR manager consults/engages with this Exco.

Tamico considers this to be a “management union” and queries the legitimacy from the perspective of the new labour legislation.

The ad hoc committee recommends that until such time as a revised access agreement has been concluded and if/when Tamico reaches the 50 percent +1 representation, the following changes be made to the WRC representation:

- *The WRC Exco be expanded to include two additional Tamico members as determined by Tamico.*

3.2.4 The transition from the old labour legislation to the new

Numerous references were made that highlighted the potential for confusion and mistrust when applying the old legislation and the new. Central to this issue is the current (and disputed) recognition agreement and code of conduct.



The ad hoc committee recommends that the new labour legislation should apply going forward and that Tamico and Geita management should cooperate to remove any obstacles to achieving this state in the shortest possible timeframe.

3.2.5 Capacity to achieve and maintain a constructive relationship

It is noted that the Geita workforce is a relatively young workforce and the Tamico membership will mostly likely reflect this age profile. There is thus limited experience in conducting constructive union work. In addition, the brief history of trade unions in Tanzania under the new labour legislation has limited the ability of the union to develop union capacity. It is also noted that in Geita management ranks, limited experience exist in functioning in a unionized environment.

The ad hoc committee recommends that a formal capacity building program be implemented in the short term to develop union and management capacity to work under the new labour legislation in Tanzania and to give effect to the principles outlined in the AGA/ICEM agreement.

CONCLUSION

The ad hoc committee is of the view that although both TAMICO and Geita management engaged in inappropriate actions relating to the specific incident which gave rise to this ad hoc committee investigation, Geita management over a period of time has not given full expression to the import and intention of AGA principles and values as set out in the AGA/ICEM Agreement.

It is hoped that through the implementation of the recommendations of this Report the parties will build a constructive relationship that will serve the interests of all parties.

Signed by:

For ICEM:



F Nkomo

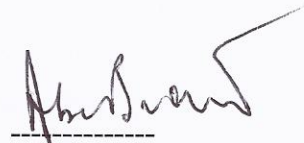


T Moya

For AGA:



G van Veijeren



A Bardin

21/10/2011

Annexure 1

TERMS OF REFERENCE

GEITA

Whereas the General Secretary of the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) has addressed a letter dated 16 May 2011 to the CEO of AngloGold Ashanti Ltd urgently asking that Geita Gold Mine uphold the Principles contained in the AngloGold Ashanti/ ICEM Framework Agreement, dated 27 May 2009, specifically as contained in Article 3 "Fundamental Principles and Values" and,

Whereas ICEM has asked that the AngloGold Ashanti Corporate Office intervene to prevent the escalation of tensions between Geita Management and the unrecognized ICEM affiliated union Tanzania Mines, Energy, Construction and Allied Worker's Union (TAMICO) which tensions include the disciplinary action against two employees, TAMICO Officials and,

Whereas the Framework Agreement provides for the establishment of an *ad hoc* sub-committee to consider plans and proposals if any alleged breach of accepted standards of conduct cannot be resolved at corporate level and,

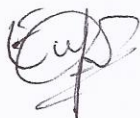
Also noting that the Agreement intends to enhance but not to interfere with or replace principles or practices already established in terms of local legislation or regulation or through collective bargaining and that AngloGold Ashanti respects the right of its employees to freely decide whether or not to establish or to associate with any legitimate trade union of their choice and that the Company shall remain strictly neutral concerning its employees' choice in the matter,

Therefore the parties agree that a sub-committee as a fact finding mechanism is established comprising of two persons each nominated from ICEM and AngloGold Ashanti respectively to investigate as it sees fit and to make recommendations including plans and proposals, regarding any alleged breach of the agreement and any other matter pertaining to the future interpretation and implementation of the agreement at Geita Gold Mine.

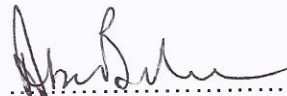
Such written recommendations are to be submitted to the parties as a matter of urgency but by no later than 31 August 2011.

For and on behalf of ICEM
Ashanti Ltd

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For and on behalf of AngloGold

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