

Financial Focus – Introduction

The core focus of Gold Fields' financial strategy is to grow the margin and free cash-flow (FCF) for every ounce of gold produced. This has long replaced the traditional focus on growth in production ounces and is aimed at turning the Group into a focused, lean and globally diversified gold mining company that generates significant FCF and provides investors with leverage to the gold price.

During 2016, our priorities for the cash we generated were:

1. Rewarding our shareholders with dividends
Our policy is to pay out between 25% and 35% of normalised earnings

2. Improving our balance sheet by paying down debt – the target was to reduce the net debt: adjusted EBITDA to below 1.0x by end-2016
Our target is to further and consistently reduce our net debt and net debt to adjusted EBITDA ratio
3. Pursuing value-accretive acquisitions and funding growth:
Our preference is for the acquisition of in-production ounces that will contribute positively to adjusted EBITDA and cash-flow from the outset or funding the development of growth projects

Our key objective is to generate a FCF margin of 15% at a gold price of US\$1,300/oz, which translates to an All-in Cost (AIC) breakeven level of approximately US\$1,050/oz. The Group's FCF margin increased from 8% in 2015 to 17% in 2016, aided by a pick-up in the gold price received to US\$1,241/oz during 2016 from US\$1,140/oz in 2015. Had the gold price averaged US\$1,300/oz, Gold Fields' FCF margin would have been 19%, higher than our target of 15%. Details of the Group's production and cost guidance are contained in the Business Optimisation section (p56 – 61).

Financial Highlights for Gold Fields during 2016:

	2016 ¹	2015	2014
US\$/A\$ (average)	0.75	0.75	0.81
R/US\$ (average)	14.70	12.68	11.56
Average US\$ gold price received (US\$/oz)	1,241	1,140	1,249
Average A\$ gold price received (A\$/oz)	1,675	1,541	1,404
Average Rand gold price received (R/kg)	584,894	478,263	441,981
Revenue (US\$m)	2,750	2,545	2,869
AISC (US\$/oz)	980	1,007	1,053
AIC (US\$/oz)	1,006	1,026	1,087
Net operating costs (US\$m)	1,388	1,456	1,678
Capital expenditure (US\$m)	650	634	609
Net cash-flow ¹ (US\$m)	294	123	235
FCF margin (%)	17	8	13
Net debt (US\$m)	1,166	1,380	1,453
Net debt/adjusted EBITDA ratio	0.95	1.38	1.30
Normalised earnings (US\$m)	191	45	85
Total dividend declared (R/share)	1.10	0.25	0.40
Dividend as a % of normalised earnings (%)	32	34	34

¹ Net cash-flow = cash-flow from operating activities less net capital expenditure and environmental payments.

2016 FINANCIAL PERFORMANCE

The 9% year-on-year pick up in the US\$ gold price enabled Gold Fields to improve its cash reserves, reduce its debt and strengthen its balance sheet during 2016. The Group maintained its policy of rewarding shareholders with dividends, declaring 32% of normalised earnings, or R1.10/share (2015: R0.25/share).

Revenue increased by 8% from US\$2,545m in 2015 to US\$2,750m in 2016, as a result of the higher gold price received. Net operating costs

decreased by 5% to US\$1,388m, aided by a 16% weakening in the Rand/US\$ exchange rates and a 16% fall in the oil price during the year.

The bulk of Gold Fields' costs in Australia and South Africa are incurred in local currencies. As such, the weakening in the South African Rand relative to the US Dollar had a positive impact on costs – and ultimately profits – in this geography during 2016. A weaker local currency, however, also leads to inflation of imported costs. As a result, costs of heavy equipment,

machinery and other components that we mostly import at our South African operation, increased during 2016 and will continue to rise in the current year. Our Australian operations largely buy locally produced equipment, while our Ghanaian mines pay for their equipment in US Dollar terms.

The Group All-in Sustaining Costs (AISC) of US\$980/oz and AIC of US\$1,006/oz in 2016 compared with US\$1,007/oz and US\$1,026/oz in 2015. Encouragingly, costs came in below guidance (AISC: US\$1,000/oz – US\$1,010/oz; AIC: US\$1,035/oz –

US\$1,045/oz) for the fourth consecutive year. The lower costs were mainly due to lower net operating costs and higher by-product credits, partially offset by wage costs and sustaining capital expenditure. Operating profit increased by 25% from US\$1,089m in 2015 to US\$1,362m in 2016.

Other salient features during 2016 included:

- » Royalty payments of US\$80m in 2016 compared with US\$76m in 2015

- » An increase in capital expenditure from US\$634m in 2015 to US\$650m in 2016
- » A decrease in the taxation charge to US\$192m (2015: US\$247m)

Taking into account all of the above, net earnings attributable to Gold Fields shareholders amounted to US\$163m, compared to a net loss of US\$242m in 2015. Headline earnings were US\$208m in 2016 compared with a headline loss of US\$28m in 2015, while normalised earnings increased from US\$45m in 2015 to US\$191m in 2016.

A detailed analysis of our financial performance is provided in the Management's Discussion and Analysis of the Financial Statements in the 2016 Annual Financial Report.

The Consolidated Income Statement, Statement of Financial Position and Cash-Flow Statement – extracted from the 2016 Annual Financial Report – are provided on the pages that follow.

Summarised Financials

Consolidated Income Statement

for the year ended 31 December

Figures in millions unless otherwise stated

UNITED STATES DOLLAR

	2016	2015
Revenue	2,749.5	2,545.4
Cost of sales	(2,066.7)	(2,066.1)
Net operating profit	682.8	479.3
Investment income	8.3	6.3
Finance expense	(78.3)	(82.9)
Gain/(loss) on financial instruments	14.4	(4.7)
Foreign exchange (loss)/gain	(6.4)	9.5
Other costs, net	(16.8)	(21.2)
Share-based payments	(14.4)	(10.9)
Long-term incentive plan	(11.0)	(5.3)
Exploration expense	(92.2)	(53.5)
Share of results of equity accounted investees after taxation	(2.3)	(5.7)
Restructuring costs	(11.7)	(9.3)
Impairment of investments and assets	(76.5)	(221.1)
Profit on disposal of investments	2.3	0.1
Profit/(loss) on disposal of property, plant and equipment	48.0	(0.1)
Profit before royalties and taxation	446.2	80.5
Royalties	(80.4)	(76.0)
Profit before taxation	365.8	4.5
Mining and income taxation	(192.1)	(247.1)
Profit/(loss) for the year	173.7	(242.6)
Profit/(loss) attributable to:		
– Owners of the parent	162.8	(242.1)
– Non-controlling interest holders	10.9	(0.5)
	173.7	(242.6)
Earnings/(loss) per share attributable to owners of the parent:		
Basic earnings/(loss) per share – cents	20	(31)
Diluted basic earnings/(loss) per share – cents	20	(31)

Summarised Financials continued

Consolidated Statement of Financial Position

as at 31 December

Figures in millions unless otherwise stated

UNITED STATES DOLLAR

	2016	2015
ASSETS		
Non-current assets	5,282.0	4,969.6
Property, plant and equipment	4,547.8	4,312.4
Goodwill	317.8	295.3
Inventories	132.8	132.8
Equity accounted investees	170.7	129.1
Investments	19.7	10.9
Environmental trust funds	44.5	35.0
Deferred taxation	48.7	54.1
Current assets	1,052.7	908.1
Inventories	329.4	298.2
Trade and other receivables	170.2	168.9
Cash and cash equivalents	526.7	440.0
Assets held for sale	26.4	1.0
Total assets	6,334.7	5,877.7
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	3,067.0	2,656.1
Share capital	59.6	58.1
Share premium	3,562.9	3,412.9
Other reserves	(2,126.4)	(2,262.2)
Retained earnings	1,570.9	1,447.3
Non-controlling interest	122.6	111.9
Total equity	3,189.6	2,768.0
Non-current liabilities	2,285.7	2,545.6
Deferred taxation	465.5	487.3
Borrowings	1,504.9	1,761.6
Provisions	291.7	284.1
Long-term incentive plan	23.6	12.6
Current liabilities	859.4	564.1
Trade and other payables	543.3	427.6
Royalties	20.2	18.5
Taxation	107.9	59.3
Current portion of borrowings	188.0	58.7
Total equity and liabilities	6,334.7	5,877.7

Consolidated Statement of Cash-flows

for the year ended 31 December

Figures in millions unless otherwise stated

UNITED STATES DOLLAR

	2016	2015
Cash-flows from operating activities	917.5	743.9
Cash generated by operations	1,270.1	1,005.4
Interest received	7.3	5.9
Change in working capital	(2.7)	43.6
Cash generated by operating activities	1,274.7	1,054.9
Interest paid	(81.7)	(86.8)
Royalties paid	(78.7)	(76.9)
Taxation paid	(156.1)	(118.4)
Net cash from operations	958.2	772.8
Dividends paid	(40.7)	(28.9)
– Owners of the parent	(39.2)	(15.1)
– Non-controlling interests holders	(0.2)	(12.1)
– South Deep BEE dividend	(1.3)	(1.7)
Cash-flows from investing activities	(867.9)	(651.5)
Additions to property, plant and equipment	(649.9)	(634.1)
Proceeds on disposal of property, plant and equipment	2.3	3.1
Purchase of Gruyere Gold Project assets	(197.1)	–
Purchase of investments	(12.7)	(3.0)
Proceeds on disposal of investments	4.4	–
Environmental trust funds and rehabilitation payments	(14.9)	(17.5)
Cash-flows from financing activities	37.0	(88.3)
Shares issued	151.5	–
Loans raised	1,298.7	506.0
Loans repaid	(1,413.2)	(594.3)
Net cash generated	86.6	4.1
Effect of exchange rate fluctuation on cash held	0.1	(22.1)
Cash and cash equivalents at beginning of the year	440.0	458.0
Cash and cash equivalents at end of the year	526.7	440.0

Financial Focus – Strategic Focus Areas

FREE CASH-FLOW

Gold Fields generated net cash-flow of US\$294m during 2016 compared to US\$123m in 2015. The increase in net cash-flow was underpinned by a 9% increase in the gold price from US\$1,140/oz in 2015 to US\$1,241/oz in 2016 and a turnaround at South Deep, which was cash-flow positive for the first time ever, recording a net cash inflow of US\$12m in 2016 compared to an outflow of US\$80m in 2015. Our international mines in Australia, Ghana and Peru collectively generated net cash-flow of US\$432m, further demonstrating the robustness of our international portfolio of assets. Gold Fields has generated positive net cash-flow in all but one of the past 14 quarters. The strong cash generation during the year resulted in healthy margin improvement, with the FCF margin improving from 8% in 2015 to 17% in 2016.

REDUCING DEBT

One of Gold Fields' key strategic objectives has been to reduce the amount of debt on our balance sheet. In this regard, management set itself a target of reducing the net debt to adjusted EBITDA ratio to below 1.0x by the end of 2016.

During 2016, the Group entered into a number of transactions which impacted the debt balance. In February, Gold Fields drew on its credit facilities to buy back US\$148m of its US\$1bn Notes at a 12% discount to par, a net debt neutral

transaction. The Company then raised US\$152m in equity in March, which was used to pay back the credit facilities and ultimately reduce the net debt balance.

In November, Gold Fields acquired a 50% stake in the Gruyere Joint Venture for a consideration of A\$350m. A\$250m of this was paid on completion of the deal in December, with the remaining A\$100m payable according to an agreed cash call schedule during the construction and ramp-up of the mine (for more detail on the Gruyere project, see p71).

As a result of these transactions, together with the US\$294m in net cash-flow generated during the year, our net debt decreased by US\$214m from US\$1,380m at the end of December 2015 to US\$1,166m at the end of December 2016. This resulted in a net debt to adjusted EBITDA ratio of 0.95x, surpassing our target of 1.0x.

Facilities Refinanced, Maturities Extended

In June 2016, Gold Fields refinanced and extended the maturity of its US\$1,440m credit facilities. The new facilities totalled US\$1,290m at similar rates, with the first material debt maturity falling due in June 2019. The extended maturity, together with the US\$569m reduction in net debt over the past three years, has significantly improved the Group's solvency and liquidity. At the end of 2016 Gold

Fields had committed and uncommitted loan facilities totalling US\$2.5bn and R3.2bn, of which US\$872m and R2.3bn respectively are unutilised. Of the unutilised loan facilities, US\$872m and R1.5bn was committed.

As a consequence of the improving financial position, the rating agencies adopted a more favourable view on Gold Fields during 2016, with Moody's progressing the Group's outlook from negative to neutral to positive on a BA1 investment rating, while Standard & Poor's maintained its BB+ rating with a stable outlook during the year.

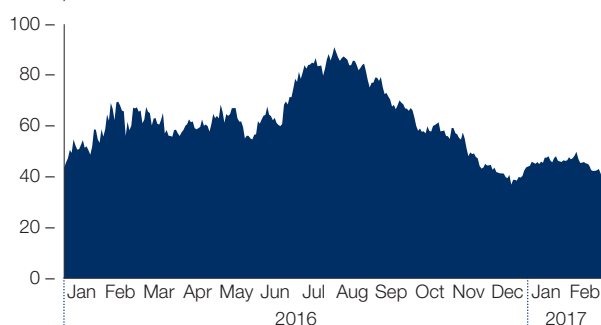
DIVIDEND

Gold Fields has a long and well-established policy of rewarding shareholders by paying out between 25% and 35% of normalised earnings as dividends. This policy is viewed as an important element of Gold Fields' investment case and we have consistently honoured this commitment with an average pay-out of about 30% of earnings every year over the past seven years.

Our strong cash generation during the year enabled the Group to declare a final dividend of R0.60 per share for 2016. Together with the interim dividend of R0.50 per share (for the first six months of the year ended 30 June 2016), this brings the total dividend declared for the year to R1.10 per share, which translates to 32% of normalised earnings. In 2015 we declared a total dividend of R0.25 per share.

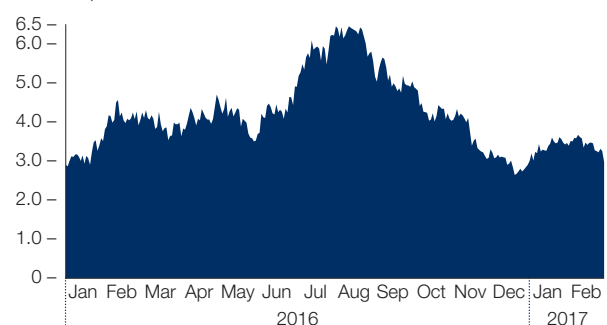
Gold Fields share price on the JSE

(R/share)



Gold Fields share price on the NYSE

(US\$/share)



IMPROVING INVESTOR AND ANALYST CONFIDENCE

Central to Gold Fields' vision of being the leader in sustainable gold mining, is the objective of positioning the Group as a focused, lean and globally diversified gold mining company that generates significant FCF, and provides investors with leverage to the price of gold. We believe that the achievement of this objective is a prerequisite for improving the confidence with which both buy-side and sell-side market participants view the Company.

Gold Fields is a significantly smaller, more focused and leaner company than it was prior to the unbundling of the Sibanye assets in 2013. In addition, the unbundling resulted in Gold Fields' portfolio transitioning into one that is focused on mechanised and open pit mining.

Gold Fields is a globally diversified company with 43% of our production coming from Australia, 32% from Ghana in West Africa, 12% from Peru in South America and 13% from South Africa during 2016. Given the decision to reinvest in the Damang mine in Ghana, together with the recent acquisition of a 50% stake in the Gruyere project in Australia, the geographic spread of production is set to shift slightly but will remain well diversified on a global scale.

Cash generation has improved since changing our strategy

Over the past three years, Gold Fields has successfully transformed itself into a company that consistently generates FCF despite a volatile gold price.

In 2012 and 2013, Gold Fields had net cash outflows of US\$280m and US\$235m, respectively. In 2014, despite a 10% decline in the average gold price from US\$1,386/oz in 2013 to US\$1,249/oz, cash-flow from operating activities – after taking account of net capital expenditure and environmental payments – improved to an inflow of US\$235m. In 2015, we then generated US\$123m in net cash-flow, notwithstanding a 9% decline in the gold price during the year. Aided by a rise in the average gold price received to US\$1,241/oz in 2016 our net cash-flow improved again to US\$294m.

Between 2013 and 2016 we had a positive swing of US\$629m in net cash generation, which equates to an improvement in our cost base of around US\$300/oz. This improved cash-flow position enabled us to fund growth and expansion during 2016 through:

- » The acquisition of a 50% stake in the Gruyere project in Western Australia

- » Near-mine exploration spending of A\$102m (US\$76m) at our four mines in Australia
- » US\$39m investment for further exploration and drilling at Salares Norte in Chile

South Deep

A key focus area where management feels it can improve investor confidence is delivery at our South Deep project in South Africa to realise the intrinsic value of the asset, which contains the world's second largest undeveloped gold resource.

South Deep has been one of the key concerns of investors and analysts for quite some time and turning the mine into a sustainable, cash generative operation is one of management's top priorities. Trends on the mine have been moving in the right direction, with all of the leading production indicators showing improvement over the past 24 months. In what is a key milestone, South Deep achieved cash breakeven during 2016, however there is more work to be done to realise the mine's full potential.

In February 2017, we announced the rebase plan for South Deep which sets out the long-term production and cost targets for the mine. Details of the plan can be found on p67 – 69.



Twin Shafts at South Deep, South Africa

Focus on Business Optimisation – Introduction

Gold Fields has consolidated its position as a more focused, leaner business with a portfolio that is characterised by modern, mechanised underground and open-pit mining. The production base is geographically diversified with eight mines in four countries.

The Group's broader strategy is focused on cash-generation and capital discipline rather than ounces for ounces' sake. This focus has enhanced our ability to generate free cash-flow and provide investors leverage to the gold price through dividends and share price performance.

Gold Fields continued to focus on improving the cash-generating ability of its existing operations during 2016. Initiatives included:

- » Avoiding mining marginal ounces and optimising the exploitation of ore bodies
- » Spending the necessary capital on ore body development to sustain and, where possible, grow production levels
- » Continuing cost-efficiency measures at all operations
- » Operational and strategic planning based on the delivery of healthy free cash-flow margins at lower gold prices
- » Continued optimisation of the South Deep mine. Significant operational improvements have been made over the past two years and the project reached a milestone by breaking even during 2016

While cash generation remained a key priority, the longevity and quality of our portfolio was addressed during 2016 through a number of investments:

- » Gold Fields spent A\$102m (US\$76m) in near-mine (brownfields) exploration activities across the Australian portfolio, which resulted in a 13% increase in the region's reserves (p73). This excludes the reserves held by the newly acquired 50% stake in the Gruyere project
- » US\$39m was spent on exploration drilling at the Salares Norte project in Chile (p72).
- » Reinvestment in the Damang mine in Ghana to extend its life by eight years from 2017 to 2024. US\$341m of project capital will be incurred over the eight-year LoM (p70)
- » In November, Gold Fields entered into a joint venture with Gold Road Resources to develop the Gruyere project in Western Australia (p71)

Production and Cost Highlights

	2016	2015	2014	2013	2012
Gold production – attributable (koz)	2,146	2,159	2,219	2,022	2,031
Revenue (US\$m)	2,750	2,545	2,869	2,906	3,531
All-in Sustaining Cost (US\$/oz)	980	1,007	1,053	1,202	1,310
All-in Cost (US\$/oz)	1,006	1,026	1,087	1,312	1,537
Average gold price received (US\$/oz)	1,241	1,140	1,249	1,386	1,656
Operating profit	1,362	1,089	1,191	1,239	1,879
Net operating costs	1,388	1,456	1,678	1,667	1,663
Headline earnings/(loss)	208	(28)	27	(71)	350
Normalised earnings	191	45	85	58	409
Net cash inflow/(outflow) ¹	294	123	235	(235)	(280)
Free cash-flow margin (%)	17	8	13	n/a	n/a

¹ Net cash-flow = cash-flow from operating activities less net capital expenditure and environmental payments.

Group Production and Cost Performance

	2017 Guidance		2016 Actual		2016 Guidance		2015 Actual	
	Prod (Moz)	AIC (US\$/oz)	Prod (Moz)	AIC (US\$/oz)	Prod (Moz)	AIC (US\$/oz)	Prod (Moz)	AIC (US\$/oz)
Group	2.10 – 2.15	1,170 – 1,190 ¹	2.15	1,006	2.05 – 2.10	1,035 – 1,045	2.16	1,026

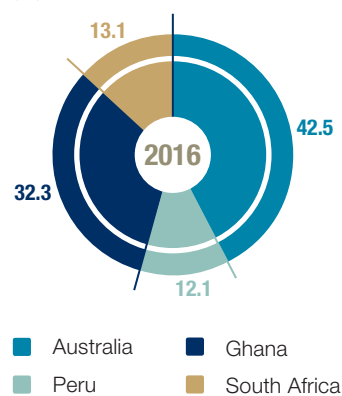
¹ This includes spending of US\$120m on Damang; US\$112m on Gruyere, US\$20m on South Deep and US\$64m for Salares Norte. Guidance for AISC for 2017 is US\$1,010/oz to US\$1,030/oz.

GROUP OPERATIONAL PERFORMANCE

In 2016, Gold Fields' attributable gold-equivalent production remained largely unchanged at 2.15Moz (2015: 2.16Moz). This reflected lower production across all of the operations except for South Deep, which recorded a 92,000oz increase in production compared to 2015. However, Group production was above guidance provided in February 2016 and in line with updated guidance in August 2016.

Group Production – Geographic Split

(%)



The geographical production mix of Gold Fields remained largely unchanged between 2015 and 2016.

Central to Gold Fields' strategy of maximising free cash-flow (FCF), is a focus on managing costs on an All-in-Cost (AIC) basis. The Group recorded AIC of US\$1,006/oz in 2016, which was lower than guidance (US\$1,035/oz – US\$1,045/oz) and 2% lower than the US\$1,026/oz recorded in 2015.

Gold Fields maintained capital expenditure levels deemed critical for the longevity of the portfolio. In fact, with the focus on extending the life of our ore bodies at all our international mines, Group capital expenditure increased for the second year running. Capital expenditure of US\$650m was incurred in 2016 compared to US\$634m in 2015. Regional capital expenditure included:

- » Our Australian mines increased capital expenditure from A\$373m (US\$281m) in 2015 to A\$431m (US\$322m) in 2016, amid higher

expenditure on new mine developments at Granny Smith and St Ives

- » Capital expenditure at South Deep increased from US\$67m in 2015 to US\$78m in 2016, reflecting the purchase of new fleet, and certain infrastructure projects
- » At Cerro Corona in Peru capital expenditure decreased from US\$65m in 2015 to US\$43m in 2016, mainly due to higher expenditure in the construction of the tailings dam, waste storage facilities and one-time capital projects in 2015
- » Capital expenditure at our Ghanaian operations declined to US\$206m in 2016 (2015: US\$221m), as higher expenditure on stripping at Damang's Amoanda pit was offset by a decline in spending on new mining fleet at Tarkwa

AMERICAS REGION

		2017 Guidance	2016 Actual	2016 Guidance	2015 Actual
Gold-only production	koz	152	150	150	159
Copper production	kt	28	31	28	29
Gold-equivalent production	koz	290	270	260	296
AIC/AISC Au eq-oz	US\$/oz	620	499	790	718
AIC/AISC Au eq-oz	US\$/oz	780	762	860	777

Despite the significant decline in the copper price during 2016, Cerro Corona recorded a sound performance with total managed gold-equivalent production of 270,000oz, 4% ahead of guidance of 260,000oz. It was, however, 9% lower than the 296,000oz produced in 2015, mainly as a result of the lower gold-copper price ratio, lower gold head grades treated and reduced gold recoveries.

Net operating costs, including gold-in-process movements, declined by 3% from US\$145m in 2015 to US\$140m in 2016. The lower cost was mainly due to a US\$4m build-up of concentrate

inventory in 2016 compared to a US\$1m drawdown in 2015. Capital expenditure decreased by 34% from US\$65m in 2015 to US\$43m in 2016, mainly due to higher expenditure on construction of the tailings dam, waste storage facilities and once-off capital projects in 2015.

AISC and AIC were US\$499/oz in 2016 compared to US\$718/oz in 2015 and, on a gold-equivalent basis, US\$762/oz in 2016 compared to US\$777/oz in 2015. The decrease in AISC and AIC was primarily due to higher by-product credits and lower capital expenditure, partially offset by lower gold sold.

The region reported net cash inflow of US\$77m during 2016 compared with US\$35m in 2015.

2017 guidance:

- » Gold only production: 152,000oz
- » Copper production: 27.5kt
- » Gold-equivalent production: 290,000oz
- » AISC/AIC: US\$620/oz
- » AIC/AISC (Au-eq): US\$780/oz
- » A gold price of US\$1.100/oz and copper price of US\$2.50/lb was used

Group Regional Performance – Overview

AUSTRALIA REGION

	2017 Guidance		2016 Actual		2016 Guidance		2015 Actual	
	Prod (koz)	AISC/AIC (A\$/oz)	Prod (koz)	AISC/AIC (A\$/oz)	Prod (koz)	AISC/AIC (A\$/oz)	Prod (koz)	AISC/AIC (A\$/oz)
St Ives	360	1,325 (US\$970/oz)	363	1,273 (US\$949/oz)	350	1,380 (US\$1010/oz)	372	1,287 (US\$969/oz)
Agnew	220	1,390 (US\$1,020/oz)	229	1,301 (US\$971/oz)	223	1,350 (US\$990/oz)	237	1,276 (US\$959/oz)
Darlot	52	1,755 (US\$1,285/oz)	66	1,662 (US\$1,238/oz)	58	1,660 (US\$1,215/oz)	78	1,403 (US\$1,057/oz)
Granny Smith	278	1,215 (US\$890/oz)	284	1,119 (US\$834/oz)	270	1,170 (US\$855/oz)	301	1,016 (US\$764/oz)
Region	910	1,332 (US\$977/oz)	942	1,261 (US\$941/oz)	905	1,330 (US\$970/oz)	988	1,211 (US\$912/oz)

The Group's four mines in Western Australia – St Ives, Agnew, Darlot and Granny Smith – delivered another strong operational performance in 2016. Gold production of 942,000oz at an AIC of A\$1,261/oz (US\$941/oz) was better than the original full year guidance of 905,000oz at an AIC of A\$1,330/oz (US\$970/oz). All four assets in the region outperformed both production and cost guidance. Production decreased by 5% in 2016 from 988,000oz in 2015, mainly as a result of lower grade areas being mined at Granny Smith, closure of the Athena underground mine at St Ives and constrained mining at Darlot.

Net operating costs decreased by 8% from A\$747m (US\$562m) in 2015 to A\$689m (US\$514m) in 2016 on the back of the closure of the Athena and Cave Rocks mines at St Ives. Capital expenditure increased from A\$373m (US\$281m) in 2015 to A\$431m (US\$322m) in 2016 as the mines developed new ore sources as well as higher expenditure on near-mine exploration across the region – A\$102m (US\$76m) was spent on exploration in Australia during 2016 compared to A\$91m (US\$65m) in 2015. AIC came in at A\$1,261/oz (US\$941/oz) in 2016, a 4% increase from the A\$1,211/oz (US\$912/oz) reported in 2015.

The Australia region reported a net cash inflow of US\$256m in 2016 compared to US\$255m in 2015.

A brief review of the brownfields exploration activity undertaken at the four mines during 2016 can be found on p73.

St Ives continued its transition from being mostly an underground mine to a predominantly open pit operation during 2016. Although production decreased 2% from 372,000oz in 2015 to 363,000oz in 2016, it came in ahead of guidance of 350,000oz. The fall in production was mainly due to lower grades associated with increased open pit mining and a decline in mining at the Athena underground mine which closed in H1 2016.

Net operating costs decreased by 17% from A\$293m (US\$220m) in 2015 to A\$244m (US\$182m) in 2016. The lower net operating costs countered the slight fall in production to drive a 1% decrease in AIC from A\$1,287/oz (US\$969/oz) in 2015 to A\$1,273/oz (US\$949/oz) in 2016. AIC came in 8% below full year guidance of A\$1,380/oz (US\$1,010/oz).

Capital expenditure increased to A\$188m (US\$140m) during 2016 compared to A\$152m (US\$115m) in 2015, following a ramp-up in exploration across the site and pre-stripping of the Invincible and Neptune open pits.

St Ives generated net cash-flow of US\$113m for 2016 (2015: US\$119m).

2017 guidance:

- » Gold production: 360,000oz
- » AISC/AIC: A\$1,325/oz (US\$970/oz)

At **Agnew**, gold production decreased by 3% from 237,000oz in 2015 to 229,000oz in 2016, but was slightly higher than guidance of 223,000oz. The lower production was mainly due to a reduction in tonnes processed.

Net operating costs in 2016 were in line with the 2015 figure at A\$189m (US\$141m) (2015: A\$188m (US\$141m)). AIC increased by 2% from A\$1,276/oz (US\$959/oz) in 2015 to A\$1,301/oz (US\$971/oz) in 2016 due to lower gold sold, partially offset by lower capital expenditure, which decreased by 3% from A\$97m (US\$73m) in 2015 to A\$94m (US\$70m) in 2016. The decrease in capital expenditure during 2016 was due to the development of the Fitzroy Bengal Hastings (FBH) section at the Waroonga underground operation during 2015, partially offset by increased exploration in 2016.

Agnew generated net cash-flow of US\$64m in 2016 (2015: US\$47m).

2017 guidance:

- » Gold production: 220,000oz
- » AISC/AIC: A\$1,390/oz (US\$1,020/oz)

Gold production at **Darlot** decreased by 15% from 78,000oz in 2015 to 66,000oz in 2016 due to lower grades mined from Lords South Lower. Production was however 14% ahead of guidance of 58,000oz.

Net operating costs decreased by 3% from A\$79m (US\$59m) in 2015 to A\$77m (US\$58m) in 2016. AIC of A\$1,662/oz (US\$1,238/oz) in 2016 was 18% higher than the A\$1,403/oz (US\$1,057/oz) reported in 2015. The increase in AIC was due to lower gold sold and higher capital expenditure (up 7% year-on-year), partially offset by lower operating costs.

Darlot generated net cash-flow of US\$1m in 2016 (2015: US\$11m).

In line with our strategy of continually upgrading the portfolio, Gold Fields commenced the sales process for Darlot in February 2017. We have invested heavily to extend the LoM beyond the initial six months

projected when we purchased Darlot in 2013 which has resulted in 241,000oz of production over the past three years. However, we believe that Darlot needs a more intensive exploration focus, which Gold Fields is unable to provide given our significant exploration activities at our other Australian assets as well as development of the Gruyere project.

2017 guidance:

- » Gold production: 52,000oz
- » AISC/AIC: A\$1,755/oz (US\$1,285/oz)

At **Granny Smith**, production decreased by 6% from 301,000oz in 2015 to 284,000oz in 2016, but was 5% ahead of guidance for the year. The fall in production was due to lower grades mined and an increase in stockpiled ore as a consequence of the timing of the December milling campaign. Net operating costs decreased 5% from A\$188m (US\$141m) in 2015 to A\$179m

(US\$134m) in 2016. AIC of A\$1,119/oz (US\$834/oz) in 2016 compared with A\$1,016/oz (US\$764/oz) in 2015, with the increase driven by lower gold sales and higher capital expenditure, partially offset by a drop in net operating costs.

Capital expenditure was 26% higher in 2016 at A\$121m (US\$90m), with the majority of the expenditure related to capital development, exploration and the establishment of new ventilation raises. The mine development programme saw 40km of horizontal capital development advanced, providing access to lower ore horizons at the Wallaby mine. These zones will provide the bulk of the operation's ore for 2017.

The mine generated net cash-flow of US\$137m in 2016 (2015: US\$111m).

2017 guidance:

- » Gold production: 278,000oz
- » AISC/AIC: A\$1,215/oz (US\$890/oz)



Darlot mine in Australia

Group Regional Performance – Overview (continued)

SOUTH AFRICA REGION

	2017 Guidance		2016 Actual		2016 Guidance		2015 Actual	
	Prod (kg)	AIC (R/kg)	Prod (kg)	AIC (R/kg)	Prod (kg)	AIC (R/kg)	Prod (kg)	AIC (R/kg)
South Deep	9,800 315koz	585,000 (US\$1,290/oz)	9,032 290koz	583,059 (US\$1,234/oz)	8,000 257koz	595,000 (US\$1,310/oz)	6,160 198koz	635,622 (US\$1,559/oz)

South Deep reported a significant improvement in its operational and financial performance during the year, with production increasing 47% from 198,000oz in 2015 to 290,400oz in 2016. Net operating costs were 33% higher at R3,993m (US\$272m) due to the 40% improvement in tonnes mined, which resulted in higher consumable spend and higher utility consumption as well as improved staff bonuses. The increased costs were also due to negotiated annual salary hikes averaging 10% as well as higher staff numbers following the employment of an additional 164 mechanised mining professionals over the past two years. In addition, electricity tariffs rose by just over 9% during 2016.

Capex increased by 35% from R848m (US\$67m) in 2015 to R1,145m (US\$78m) in 2016, as a result of the acquisition of new fleet, the refurbishment of the main winder at Twin shaft and higher spend on employee accommodation.

During 2016 there was a continuous improvement in the lead production indicators that Gold Fields has been using as a yardstick for progress on development at the mine:

- » Development increased by 47% from 4,701m in 2015 to 6,933m in 2016. New mine capital development increased by 9% from 744m in 2015 to 811m in 2016, while development in the current mine areas at 95 level and above rose by 55% from 3,957m to 6,122m
- » Destress mining increased by 6% from 30,444m² in 2015 to 32,333m² in 2016, while conversion from low profile to high profile mining was completed in 2016. High profile destress mining commenced in June 2015 and improved significantly from 3,604m² in 2015 to 22,466m² in 2016, with the conversion of existing low profile destress cuts to high profile destress cuts. The high profile and low profile methods contributed 69% and 31% respectively to total destress mining in 2016

- » long-hole stoping volumes mined increased by 74% from 429kt in 2015 to 745kt in 2016

AIC decreased by 8% from R635,622/kg (US\$1,559/oz) in 2015 to R583,059/kg (US\$1,234/oz) in 2016, due to higher gold sales, partially offset by higher net operating costs and capital expenditure.

South Deep generated positive net cash-flow for the first time at US\$12m compared with an outflow of US\$80m in 2015.

For details on South Deep's recent progress and near-to-medium term outlook (the rebase plan), see p67 – 69.

2017 guidance:

- » Gold production: 9,800kg (315,000oz)
- » AISC: R555,000/kg (US\$1,220/oz)
- » AIC: R585,000/kg (US\$1,290/oz)



Transport trucks underground at South Deep, South Africa

WEST AFRICA REGION

	2017 Guidance		2016 Actual		2016 Guidance		2015 Actual	
	Prod (koz)	AIC (US\$/oz)	Prod (koz)	AISC/AIC (US\$/oz)	Prod (koz)	AISC/AIC (US\$/oz)	Prod (koz)	AISC/AIC (US\$/oz)
Tarkwa	565	985	568	959	560	940	586	970
Damang	120	2,250	148	1,254	150	1,160	168	1,326
Region	685	1,193	716	1,020	710	986	754	1,049

The West Africa region is the second biggest contributor to Group attributable production, with Gold Fields' two mines, Tarkwa and Damang, recording a strong operational performance in 2016. Despite total managed gold production decreasing by 5% to 716,000oz, it came in 1% ahead of guidance of 710,000oz. Net operating costs for the region decreased 10% from US\$513m in 2015 to US\$463m in 2016, underpinned by lower mining and consumable costs in line with the lower production at Damang. Capital expenditure decreased from US\$221m in 2015 to US\$206m in 2016. AIC for the region of US\$1,020/oz was 3% higher than guidance of US\$986/oz but 3% lower than the US\$1,049/oz reported in 2015.

Despite the fall in production, the region as a whole reported a net cash inflow of US\$100m during 2016, with Tarkwa generating net cash of US\$115m and Damang recording a US\$15m outflow. For details of the development agreement struck between Gold Fields Ghana and the government, see p94.

At **Tarkwa**, the largest and one of the most consistent producers in the Gold Fields Group, production decreased by 3% from 586,000oz in 2015 to 568,000oz in 2016 – but was ahead of the 560,000 guided for the year – as mining moved away from the Teberebie pillar and surrounding high-grade areas. The carbon-in leach plant throughput increased from 13.5Mt to 13.6Mt, whilst yield decreased from 1.35g/t to 1.30g/t.

Net operating costs were in-line with 2015 at US\$327m. Capital expenditure decreased 18% from US\$204m in 2015 to US\$168m in 2016, mainly due to the cost of purchasing new mining vehicles and equipment in 2015. AIC improved by 1% from US\$970/oz in 2015 to US\$959/oz in 2016.

Tarkwa generated a net cash inflow of US\$115m during 2016 (2015: US\$76m).

2017 guidance:

- » Gold production: 565,000oz
- » AISC/AIC: US\$985/oz

Damang produced 148,000oz in 2016, which was in-line with guidance, but 12% lower than the 168,000oz produced in 2015. The comprehensive review of the mine, which commenced during the second half of 2015, continued during 2016 with a final decision made to do a cut back to expose the higher grade ore under the original Damang pit. For details on the Damang reinvestment plan, see p70.

Net operating costs decreased 27% from US\$186m in 2015 to US\$136m in 2016, mainly due to lower mining and consumable costs in-line with the lower production. AIC of US\$1,254/oz was 5% lower than the US\$1,326/oz recorded in 2015 due to lower net operating costs, partially offset by lower gold sold and higher capital expenditure. AIC was 8% higher than guidance.

Damang's net cash outflow decreased from US\$32m in 2015 to US\$15m in 2016.

2017 guidance:

- » Gold production: 120,000oz
- » AISC: US\$1,175/oz
- » AIC: US\$2,250/oz



Drill rigs at the Tarkwa mine in Ghana

Business Optimisation – Strategic Focus Areas

SAFETY, HEALTH AND WELLNESS

Gold Fields continues to uphold its promise, 'if we cannot mine safely, we will not mine'. This reflects the need to minimise any potential negative impact on our employees and contractors, maintain operational continuity and protect the Company's reputation. Gold Fields' Group annual performance bonus contains a significant safety component. Furthermore, maintaining safe and healthy working conditions is a key compliance issue for the Company.

As stated in our Occupational Health and Safety Policy, Gold Fields strives for 'Zero Harm' at all of our operations and to minimise occupational health and safety hazards. All of the Group's operations are certified to the OHSAS 18001 international health and safety management system standard.

The work on safety and wellness is integral to our operational discipline and is accepted as the foundation

for improved operational performance. As such, there is no conflict between pursuing safety and productivity at the same time.

Safety Management

Gold Fields remains vigilant and continues to introduce and monitor proactive measures to build on progress made in our safety performance.

Tragically, one fatality occurred during the year when Vakele Thafeni, an employee learner miner, was killed after a 1.5 magnitude seismic event caused an underground rock burst at our South Deep mine. Subsequent to year-end we had two further fatalities at South Deep. Thankslord Bekwayo, a dump truck operator, was killed in an underground accident on 1 January involving the truck he was driving, while Nceba Mehlwana, a locomotive driver, was fatally injured during a trampling accident on 16 February. Our heartfelt condolences go out to the families, friends and colleagues of Messrs Thafeni, Bekwayo and Mehlwana.

Our safety performance shows a 33% improvement in the Total Recordable Injury Frequency Rate (TRIFR) to 2.27 incidents per million hours worked in 2016 from 3.40 in 2015. This is a significant achievement and is the lowest TRIFR rate at Gold Fields since 2013 when the International Council on Mining & Metals adopted the measure as the most accurate gauge of safety performance. Our TRIFR rate in 2013 was 4.14, while the number of recordable injuries since then has declined from 181 in 2013 to 124 in 2016. Of the 124 injuries, 76 were employee injuries (2015: 100) and 48 were contractor injuries (2015: 74).

During 2016, each of our eight operations reported an improvement in their TRIFR rate, a tribute to the behaviour-based safety programmes in place across the Company. Our work at embedding these into our day-to-day performance, along with visible management leadership on the ground, continues.

Group Safety Performance

	2016	2015	2014	2013
TRIFR ¹	2.27	3.40	4.04	4.14
Fatalities	1	4 ⁵	3	2
Lost time injuries ²	39	68	75	52
Restricted work injuries ³	59	68	84	73
Medically treated injuries ⁴	25	35	38	54
Total recordable injuries	124	174	200	181

¹ Total Recordable Injury Frequency Rate (TRIFR) Group safety metric was introduced in 2013. $TRIFR = (Fatalities + Lost Time Injuries + Restricted Work Injuries + Medically Treated Injuries) \times 1,000,000 / \text{number of hours worked}$.

² A Lost Time Injury (LTI) is a work-related injury resulting in the employee or contractor being unable to attend work for a period of one or more days after the day of the injury. The employee or contractor is unable to perform any of his/her duties.

³ A Restricted Work Injury (RWI) is a work-related injury sustained by an employee or contractor which results in the employee or contractor being unable to perform one or more of his/her routine functions for a full working day, from the day after the injury occurred. The employee or contractor can still perform some of his/her duties.

⁴ A Medically Treated Injury (MTI) is a work-related injury sustained by an employee or contractor which does not incapacitate that employee or contractor and who, after having received medical treatment, is deemed fit to immediately resume his/her normal duties on the next calendar day, immediately following the treatment or re-treatment.

⁵ Three of the four fatalities in 2015 were workplace accidents. A fourth fatality was a member of the protection services team at South Deep who was shot and killed during a robbery at the mine.

Regional Performance

Details of specific regional safety initiatives implemented in 2016 are set out below:

Americas

After slipping in 2015 to 1.09 from 0.38 in 2014, the TRIFR at the Cerro Corona mine improved by 69% to

0.34 in 2016, with the operation only reporting one lost time and one medically treated injury during the year. Following the relatively poor performance in 2015 the mine intensified its safety campaign, containing 10 rules that every employee and contractor has to sign up to. It also focused on improving

the leadership skills of safety supervisors, as part of visible safety leadership. Furthermore, 190 employees and contractors have been tasked with driving safe behaviour by highlighting good working practices.

Australia

During 2016, the TRIFR for Gold Fields Australia improved by 42% to 9.43 from the 2015 rate of 16.27. This is the lowest rate since the acquisition of the Yilgarn South assets in 2013, when the region's integrated safety strategy was first launched. The TRIFR has been reduced by 73% since then. Three of the mines – St Ives, Darlot and Granny Smith – showed improvements ranging from 47% – 55% during 2016 and all three recorded their lowest TRIFR rate since 2013. Agnew's improvement was lower at 13% after a number of safety-related incidents with a contracting firm early in 2016. Targeted interventions managed to address its performance.

At the heart of Gold Fields Australia's safety efforts are two programmes: the ongoing Visible Felt Leadership and Vital Behaviours programmes, both of which were introduced in 2014. Risk assessments undertaken on all recordable injuries since 2012 indicate that the risk of incidences that result in recordable injuries is steadily declining with no high-risk events having occurred since 2014.

During 2016, all mines in the region revitalised their safety programmes as well as safety discipline. A particular focus has been on new employees and contractors, where there was evidence of a greater risk of injury. The findings of an anonymous survey among employees about the safety programmes and standards, carried out annually over the past three years, will feed into the region's safety strategy for the next three years.

South Africa

South Deep's safety performance showed a significant improvement with the TRIFR falling by 17% from 2.91 in 2015 to 2.42 in 2016. However, this overall improvement was overshadowed by the fatal fall-of-ground accident experienced by the mine in September 2016. In 2015 South Deep reported two mining-related fatalities and one fatal shooting.

As a result of the fatal accident, the Department of Mineral Resources (DMR) issued two Section 54 work-safety related stoppages. A further 13 Section 54 stoppages were issued during 2016 following visits by the DMR due to either perceived unsafe working conditions, inadequate safety procedures or untrained personnel. This brings to 15 the total number of Section 54s in 2016 (2015: 16). Gold Fields continues to work with the DMR in addressing safety and wellness related issues at South Deep.

The number of total injuries reported by the mine went up from 68 in 2015 to 75 in 2016. (The TRIFR for South Deep is lower due to more hours worked.) Three categories – Material & Equipment, Fall-of- Ground and Slip & Fall – accounting for 77% of these injuries. Fall-of-ground accidents had been on a steady decline to six in 2015 but picked up again in 2016 with 15 incidents, including the fatal accident. We continue our efforts to move mineworkers away from potentially dangerous areas and have installed extensive secondary support throughout the mine to limit the impact of rock bursts.

The number of seismic events at South Deep registering above one on the Richter scale increased from 73 in 2015 to 101 in 2016 (of which six were over two on the scale) as the mine accelerated its ramp-up. Despite the fact that the average energy released per seismic event has dropped, the mine has intensified its efforts at improving its forecasting abilities. It is working with 12 consultancies and institutions, including the Institute of Mine Seismology and the Council for Geoscience, to monitor, understand and mitigate against seismic underground events.

Behaviour-based incident management and strict enforcement of safety standards continue to be the pillars on which the mine relies to improve working place physical conditions and address at risky behaviour. In addition, 30% of bonuses, on average, are linked to safety-related performance. During

2016, South Deep rolled out four programmes to improve its safety performance, including back-to-basics training, hazard identification and risk assessments as well as artisan upskilling. Testing for alcohol and cannabis is also carried out as part of the mine's zero tolerance policy, which applies to all South Deep employees.

Beyond behaviour-based management, South Deep has also intensified its effort to engineer-out safety risks, through pre-conditioning of working areas, as well as a focus on consumable material and equipment. As part of this, installation of a rail-bound proximity detection system was completed in Q1 2016, with which all 56 locomotives at the mine were fitted and relevant operators and artisans trained in its use. The installation of fixed beacons at the mine during the latter part of 2016 has helped to facilitate direct communication between the locomotives.

West Africa

Both Tarkwa and Damang reported better TRIFR during 2016, with Tarkwa improving by 23% to 0.31 and Damang by 37% to 1.67. The region reported no fatality in 2016 after recording one fatal accident during 2015. An external health and safety audit undertaken in Q4 2016 made no adverse finding and reported no high-risk events at either mine.

The mines rely on a number of behaviour-based and safety discipline awareness programmes to entrench safe behaviour and during 2016 this was supported by more frequent walkabouts by senior management. A key part of the safety strategy is a zero tolerance approach to drug and alcohol use, which is applicable to all employees in the West Africa region. Over 130,000 sobriety tests were conducted during 2016 and 28 employees and contractors, who were found to be over the limit, were discharged immediately. The zero tolerance approach is supported by free counselling and educational sessions on drug and alcohol abuse.

Business Optimisation – Strategic Focus Areas (continued)

Employee Health and Wellness

Gold Fields is committed to reducing the exposure of its employees to occupational health risks, including those associated with air quality, silicosis, tuberculosis, diesel particulate matters and hearing loss. As such, each region has implemented occupational health

and hygiene monitoring for diesel particulates, respirable and silica dust, other airborne pollutants, radiation and noise. Particular emphasis is placed on managing the underground working environments in Gold Fields' Australian and South African operations, due to the heightened health risks that underground mining poses to workers.

All of Gold Fields' regions run dedicated wellness programmes, tailored to both the national and local context of each mining operation. These programmes aim to identify and manage chronic medical conditions within the workforce, whilst also maximising its productive capacity and reducing absenteeism.

Occupational Diseases at the South Deep (rate per 1,000 employees and contractors)

	2016	2015	2014 ¹	2013 ¹
Noise-induced hearing loss (NIHL) ¹	0.80	0.68	1.52	0.62
Cardio-respiratory tuberculosis (CRTB)	5.26	6.16	9.15	6.5
Silicosis ¹	1.12	1.54	2.67	1.86
Chronic obstructive airways disease (COAD) ²	0.64	0.17	0.76	0.00
South Deep workforce	6,277	5,837	5,246	6,466

¹ Numbers are now presented per 1,000 employees and contractors. Comparatives have been restated.

² Based on the number of cases submitted for compensation.

Noise

During 2016, Gold Fields' South Deep mine reported a rise in the NIHL rate to 0.80 per 1,000 employees and contractors (2015: 0.68), while the number of NIHL cases submitted rose from four to five. During the year, the mine met the Mine Health and Safety Council (MHSC) milestone for equipment noise not to exceed 110 (A-weighted) decibels (dB(A)), though 10% of samples were above the 2024 milestone of 107 dB(A). It is important to note that these measurements do not incorporate the noise reduction effect provided by hearing protection devices, which are freely available and are compulsory to wear in demarcated areas.

South Deep continues to implement a range of medical, educational and engineering interventions to improve its performance in this regard. These include:

- » Early diagnosis and management of treatable lifestyle diseases
- » Preventative counseling on NIHL
- » Training on correct use of personal protection equipment (PPE)
- » Application of noise management measures to the underground mining fleet

At our Australian operations only two vehicles and machinery equipment across our four operations recorded

noise levels above 110dB(A) throughout 2016. Operators of this equipment use appropriate hearing protection to ensure experienced noise levels are below 85dB(A). Two new NIHL cases were reported during 2016. NIHL mitigating strategies include implementation of engineering solutions to reduce exposure, the correct use of PPE and ongoing monitoring.

In West Africa, the number of NIHL cases remained at two new cases in 2016, amid the mandatory use of hearing protection devices (ear plugs and ear muffs) in areas with noise exposures above 85dB(A). Furthermore, continuous monitoring of operator workstations as well as a number of in-pit machines – drill rigs, excavators, dump trucks and graders – are undertaken every six months. Engineering controls, such as sound proof seals for equipment operator cabins, are also having a positive impact on noise levels.

There were no reported NIHL cases at Cerro Corona.

Diesel Particulate Matter

Gold Fields undertakes regular monitoring and analysis of the concentration of DPM at all of its operations. This issue is particularly material at Gold Fields' underground mines in Australia and South Africa, due to the potential concentration of particulates in specific working areas.

While there are no regulatory limits, the Australia region implemented a strategy in 2014 designed to reduce exposure to DPM with a focus on fitting filters to equipment, refining maintenance schedules, ensuring the correct levels of ventilation and providing appropriate procedural controls. Sampling programmes during 2016 have indicated the success of this initiative with a sharp decline in DPM levels underground, to a point where only 0.5% of samples have exceeded the 70µg/m³ target recommended by the Australian Institute for Occupational Hygienists.

In South Africa, the Department of Mineral Resources developed a draft regulatory framework, released in 2014, to establish a DPM OEL. This plan recommended a four-year 'step-in approach' starting at 350µg/m³ in 2015 and systematically decreasing to 160µg/m³ by January 2018. Gold Fields has over the years introduced a range of measures to improve monitoring and bring down the DPM exposure levels underground. These include the acquisition of vehicles and machines with more advanced engine technology as well as use of ultra-low sulphur content diesel. As a result the 160µg/m³ DPM OEL was exceeded in 11% of samples during 2016 compared with 15% in 2015 and 19% in 2011.

In Ghana and Cerro Corona, the exposure levels and concentration of personal and area DPM samples are insignificant.

Silicosis and Tuberculosis

In 2015, the Mine Health and Safety Council introduced new aspirational silica dust exposure targets for South African gold mines. These milestones require that personal exposure levels to silica dust be reduced from 0.1mg/m³ to <0.05mg/m³ by 2024. South Deep is already using the 2014 level to guide its performance and in 2016 26% of the personal silica dust samples exceeded this level. South Deep has accelerated the implementation of a range of improved dust control measures to gradually reduce these levels, including:

- » Real-time dust monitoring
- » Fitting water mist sprays at dust sources
- » Dust management controls on footwalls and internal tips
- » Installation of manually controlled water blasts in all working areas

During 2016 the Silicosis rate per 1,000 employees improved by 28% to 1.12 from 1.54 in 2015, with the number of Silicosis cases submitted to the relevant health authorities falling from nine to seven. Similarly, the CRTB rate improved by 15% in 2016 to 5.26 per 1,000 employees (2015: 6.16) and the number of CRTB cases submitted fell to 33 in 2016 from 36 in 2015.

In 2014 an industry working group was formed to address issues relating to compensation and medical care for occupational lung disease in the South African gold mining industry. During the year, the working group had extensive engagements with a wide range of stakeholders in 2016, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies.

The companies – Anglo American South Africa, AngloGold Ashanti, African Rainbow Minerals, Gold Fields, Harmony and Sibanye – believe that fairness and sustainability are crucial elements of any solution and are working

together with these stakeholders to design and implement a comprehensive solution that is both fair to past, present and future gold mining employees and also sustainable for the sector. The companies are among respondent companies in a number of lawsuits related to occupational lung disease, but do not believe that they are liable in respect of the claims brought, and are defending these.

At our open pit operations in Ghana, Australia and Peru, contact with silica dust is limited due to the nature of open pit mining and the low silica content of the ore bodies. In 2016, there were no new cases of Silicosis and two CRTB cases at our Ghanaian operations. Despite this, regular gravimetric sampling of respirable silica dust samples are carried out and evaluated.

HIV/Aids

HIV/Aids management is integrated into Gold Fields' mainstream health services and Voluntary Counselling and Testing (VCT) takes place during regular employee health assessments. This has the added benefit of directly addressing the interaction of HIV/Aids with related health issues such as tuberculosis (TB) and other sexually transmitted infections (STIs).

In South Africa an estimated 19% of adults (aged 15 to 49) live with HIV/Aids. Gold Fields is committed to lowering the HIV/Aids prevalence at South Deep, where the prevalence rate (% of the workforce living with HIV/Aids) was 5% in December 2016. There was an increase in the number of employees tested positive to 112 in 2016 from 69 in 2015. Since 2011, 3,440 employees have tested of which 403 tested positive. South Deep's integrated HIV/Aids, STI and TB strategy directly addresses interactions between these diseases. It has four key pillars:

- » **Promotion:** This includes regular publicity campaigns and condom distribution at all workplaces
- » **Prevention:** VCT is provided to all employees, contractors, their partners and family members on a confidential basis. In 2016, the mine's VCT participation rate was around 23%

- » **Treatment:** Free Highly Active Anti-Retroviral Treatment (HAART) is provided to HIV-infected employees through onsite, medical doctor-staffed clinics. In 2016, 53 employees joined the HAART programme (2015: 50). This takes the total number of active participants to 332 (2015: 296), with 533 cumulatively enrolled since the HAART programme began in 2004. Employees' dependants can also receive HAART via the Company's medical aid schemes. We do not provide treatment to employees from contracting firms, which provide their own support to their staff
- » **Support:** This includes doctor-based primary healthcare, psychological counselling and social services for all employees and contractors. South Deep also supports a number of community-based HIV/Aids projects.

In Ghana, where the national HIV/Aids rate is around 1.5%, employees and contractors have access to a confidential VCT programme which employees receive free of charge. During 2016, about 45% of the Ghana operations' workforce underwent the VCT programme. Anyone testing positive is provided with free treatment in line with the government's national HIV/Aids treatment programme. By year-end 2016 Ghana had 15 employees on HAART (2015: 19).

Malaria

Our workforce in Ghana faces a high risk of exposure to malaria and the Company has a comprehensive malaria strategy in place, which incorporates education, prevention, prophylaxis and treatment. It also includes provision of mosquito repellent for workers, support for community health facilities and rapid diagnosis and treatment.

In 2016, 505 employees (2015: 523) tested positive for malaria after 3,181 (2015: 3,104) individuals were tested at both of our mines. None of the treated cases proved fatal. Employees and dependants who live in the mine villages have their company housing units sprayed as part of our Malaria Vector Control programme. Under this programme a total of 195 company housing units at both mines were sprayed in 2016.

Business Optimisation – Strategic Focus Areas (continued)

SUSTAINING AND GROWING A QUALITY PORTFOLIO OF ASSETS

On an annual basis, all mines and assets in our portfolio are subject to the Group's business planning process. A scenario analysis is conducted for each operation, assessing how best to maximise its cash-flow, LoM and margin. The results of this analysis are then used in conjunction with the Group's capital profile and the current economic environment, as inputs into our annual strategic and operational planning.

The strength of our portfolio is evident in the continued net cash-flow generation of our international assets in Australia, Ghana and Peru, which collectively generated US\$432m during 2016. Furthermore, our portfolio's free cash-flow (FCF) margin increased to 17% in 2016 from 8% in 2015.

During 2016, Gold Fields continued to streamline its portfolio by starting the sales process for our Darlot mine in Australia as well as selling 11 producing and non-producing royalties to Toronto-listed Maverix Metals Inc. in return for a 32% stake in the company.

However, 2016 was also the year when – after almost three years of consolidation – we started investing significantly in the growth of the business again. This strategy will be deepened and extended in 2017 through near-mine exploration at our Australian mines, reinvestment in Damang, developing the Gruyere and Salares Norte projects as well as further ramping-up South Deep. (Details on p67 – 69)

In 2016, Gold Fields increased its total near-mine exploration expenditure by 5% to US\$80m (2015: US\$76m), the majority of which – US\$76m (A\$102m) – was incurred at our four Australian mines. This budget supported a total of 753,111m of near-mine drilling (2015: 638,766m). For 2017, we have budgeted US\$65m (A\$89m) for near-mine exploration, all of which will be at our Australian operations.

When looking at 'growth' in the Gold Fields context, our focus is not on growing the level of production but rather on growing free cash-flow per ounce and extending the average reserve life per operation.

A key element of the Group's underlying strategy, which contributes towards improving the quality of the portfolio is value-accretive M&A. For an asset to be considered as an acquisition target, it must meet the following criteria:

- » **Quality:** The asset must improve the Group's AIC and must generate a FCF margin of 15% at a US\$1,300/oz gold price
- » **Jurisdiction:** It must be located in a geography in which Gold Fields is comfortable to operate
- » **Life:** The asset must increase our reserve life per operation; eight years or more of reserve life
- » **In-production:** The asset must be in-production and cash generative
- » **Scale:** The asset must produce a minimum of US\$20m in free cash-flow per annum

Operations that meet these criteria are then assessed against certain balance sheet criteria to ensure a shortlist of assets for which the Group has both the appetite and capital available to pursue. Gold Fields then undertakes a prudent and phased investigation that may ultimately result in acquisition. This process includes approaching the current owner, conducting desktop and on-site due diligence; building the business case, both internally and externally and, if appropriate, entering the final 'deal phase'.

Gold Fields diverged slightly from its M&A strategy during 2016 with the investment into the Gruyere Joint Venture – held 50% by us and 50% by Australian mining company Gold Road Resources – in that the Gruyere asset is yet to be developed and is not in production. However, the economics of the project were persuasive in that once in production – which is forecast for late 2018/early 2019 – Gruyere will produce about 270,000oz (100% basis) a year over a 13-year reserve life.

In addition, it gives Gold Fields a foothold into an undeveloped and highly prospective region of the Western Australian Goldfields.

Gold Fields will maintain its disciplined approach to any corporate activity and will strictly adhere to the investment criteria set out above. We will endeavour to grow our cash-flow margin and enhance the quality of our portfolio while at the same time, protecting our balance sheet and social licence to operate.

Investing in the Future

With various new growth and development projects, 2017 has seen us entering a critical stage in our business evolution. The focus is now on reinvesting in the business as well as future growth to ensure that we can deliver sustainable free cash-flow and improved margins for the benefit of all stakeholders.

At the end of 2016 we announced our joint venture with Gold Road Resources to develop and operate the Gruyere Gold project. In February 2017 we took over management of the project with gold production scheduled to start in late 2018/early 2019. Last year also saw the decision to reinvest in Damang, extending the LoM from 2017 to 2024. In addition, we continue to invest in South Deep through the ramp-up cycle.

In Chile, the Salares Norte project has achieved the key milestone of receiving water rights and land access approvals and the project is on track to progress from pre-feasibility to feasibility status later in 2017. In addition, we will continue to invest in brownfields exploration at our four Australian mines and look for growth and life extension opportunities at Cerro Corona and Tarkwa.

For us to grow and sustain cash-flow, investing is necessary. While we are planning to spend more than we expect to generate in 2017, we are taking the longer-term view to growing our future cash-flow. Our business is a long-term game, which has to be sustainable through price cycles and the vagaries of the commodity markets. Importantly, we are ensuring that we only embark on investments with excellent potential for pay-backs and that will, in the long term, lower our production cost.

South Deep

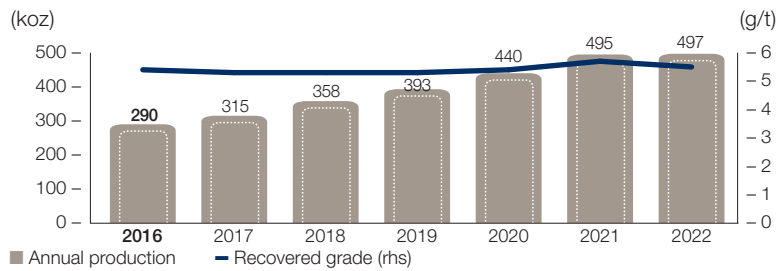
The South Deep mine in South Africa remains a strategic priority for Gold Fields, and is projected to deliver long-term, cash-generative production to the Group once it hits targeted steady state production.

South Deep entered a critical stage of its evolution at the beginning of 2015 when Gold Fields made the decision to take a step back and fix the base at the mine before determining the new long-term steady state profile. As part of this process, we removed the previous production and cost targets to afford the new South Deep management team the time to get the basics right and determine the way forward. However, in the absence of long-term production targets, we stated that it was our goal to get the mine to cash breakeven by the end of 2016, a goal that we are pleased to have achieved. For 2016, South Deep generated net cash-flow of US\$12m compared with a cash outflow of US\$80m in 2015. Even after stripping out the benefit of the rand hedge, the mine achieved cash breakeven for the year.

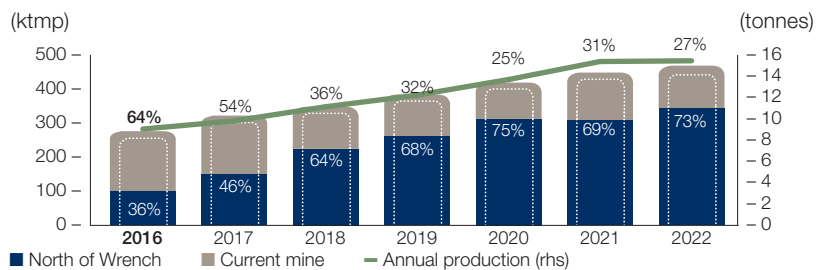
In addition, Gold Fields committed to providing a new ramp-up plan for the mine. This plan was approved by the Gold Fields Board in February 2017 and sets the mine up to reach steady state production of approximately 500,000oz by 2022 at an AIC of below US\$900/oz (in 2017 terms).

To reach these conclusions the South Deep management team undertook a thorough diagnostic during 2015, which resulted in 68 business improvement projects being identified to create a long-life, sustainable mechanised mine. To date, 29 projects have been completed, with 27 expected to be closed out in 2017 and the remaining 12 expected to be completed in 2018.

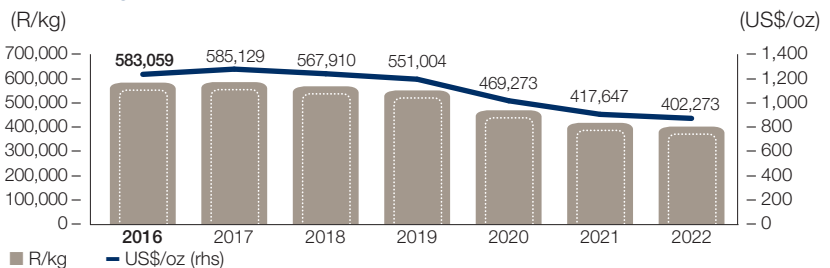
Ounces produced versus recovered grade



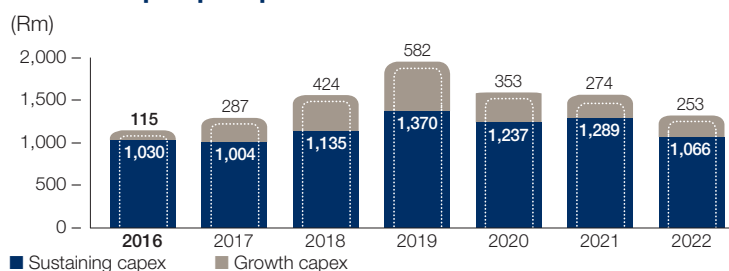
Production profile



AIC: R/kg and US\$/oz



South Deep capital profile



Business Optimisation – Strategic Focus Areas (continued)

South Deep has faced a number of challenges over the years which can best be summarised into four broad categories: People and skills; fleet and maintenance; underground working conditions; and mining method. Whilst we have made good progress on all categories over the past two years, continued improvement is anticipated during the ramp-up to steady state:

- » **People and skills:** The first priority was to establish an experienced management team with extensive exposure to mechanised and deep level mining. This objective was successfully achieved with most of the new management team now in place since mid-2015. A further 168 critical skill positions requiring experienced and skilled staff were identified at the start of 2015. Most of these positions were filled by the end of 2016 with only a limited number of appointments still outstanding. Furthermore, the development of mechanised mining skills was highlighted as a specific and critical requirement for the future success of the mine. As such, a mechanised mining skills development programme focusing on supervisors, artisans and operators was implemented and relevant South Deep employees have been receiving ongoing training.
- » **Fleet and maintenance:** South Deep instituted a number of key strategies to upgrade the condition of its mechanised equipment fleet and effectiveness of its maintenance practices. As part

of the fleet renewal strategy, 58 category 1 units have been commissioned since early 2015. The total category 1 fleet currently stands at 111. An expansive and fully equipped underground workshop spanning a total footprint of 200m x 200m was commissioned on 93 level to provide the working conditions necessary for maintenance personnel to perform their tasks more effectively. Maintenance skills development programmes were introduced to upskill our engineering personnel. In addition, outsourced OEM maintenance contracts were concluded with two key suppliers to effect immediate improvements, which will be gradually handed over to South Deep teams.

- » **Underground working conditions:** The new management team identified poor underground working conditions as a key impediment to turning South Deep around. A number of business improvement projects were initiated to remediate this deficiency and focused on various elements of the underground infrastructure, including roadways, water management, backfill and ventilation.
- » **Mining method:** As an ultra-deep bulk mine, geotechnical considerations and mine design are critical elements in implementing the successful extraction of the ore body. To this end several improvements in the overall design and mining layouts have been implemented during the

past two years through extensive trial and analysis.

- **Regional Pillars:** The overall regional support design was improved by reducing the corridor span between regional pillars from 240m to 180m and by increasing the dimensions of crush pillars in the destress cuts from 10m x 6m to 8m x 20m. Regional pillar width has remained at 60m. The design improvements resulted in lower excavation convergence rates and an increase in overall rockmass stability.
- **High Profile Destress:** Over the past two years South Deep converted from a low profile (2.2m) destress mining method to a high profile (5.5m) layout. This has eliminated an inefficient and cumbersome multi-step mining process, which included footwall or hangwall ripping to open excavations for long-hole stoping equipment, and enabled mechanised roofbolt installation. In addition we have introduced sequential extraction of longhole stopes. In a significant step for the mine, low profile was completely phased out during mid-2016 and all destress development will now entail the high profile method.

The initiatives that were implemented over the past two years have started to yield results during 2016, which was a milestone year for South Deep. (Details of our production and lead indicator performance can be found on p60).



Jumbo operator at the South Deep mine, South Africa

Five-year Outlook to Steady State

In terms of our ramp-up plan it is anticipated that South Deep will reach steady state production in 2021/2022. During this six-year period, tonnes mined will ramp-up at a fairly steady rate from the average 135,000t/m run rate in 2016 to 230,000t/m when at steady state. A big driver of the volume growth to steady state is the increased contribution from long-hole stoping.

The table below illustrates the key production, cost and capital metrics associated with the ramp-up project. The ramp-up does not assume significant productivity improvements over five years, but includes the impact of opening up new areas.

Production, Cost and Capital Metrics Associated with the South Deep Ramp-Up Plan

		2017	2018	2019	2020	2021	2022
Underground							
Tonnes milled	kt	1,885	2,268	2,483	2,687	2,766	2,861
Reef	kt	1,829	2,085	2,300	2,518	2,691	2,815
Waste	kt	56	182	183	168	75	46
Reef grade	g/t	5.33	5.32	5.31	5.44	5.72	5.49
Gold produced	kg	9,753	11,088	12,204	13,698	15,385	15,454
Gold produced	koz	314	356	392	440	495	497
Surface							
Tonnes milled	kt	567	600	250	-	-	-
Grade	g/t	0.08	0.08	0.08	-	-	-
Gold produced	kg	47	48	20	-	-	-
Gold produced	koz	2	2	1	-	-	-
Total production							
Tonnes milled	kt	2,452	2,868	2,733	2,687	2,766	2,861
Grade	g/t	4.0	3.9	4.5	5.1	5.6	5.4
Gold produced	kg	9,800	11,136	12,224	13,698	15,385	15,454
Gold produced	koz	315	358	393	440	495	497
Capex and Costs							
Sustaining capex	Rm	1,004	1,135	1,370	1,237	1,289	1,066
Growth capex	Rm	287	424	582	353	274	253
AIC (2017 terms)	R/kg	585,129	567,910	551,004	469,273	417,647	402,273
AIC (2017 terms)	US\$/oz	1,280	1,240	1,195	1,020	905	875

The production ramp-up will occur in the North of Wrench mining area, which is a lower extension to the current mining operations and contains reserves of 10.7Moz. North of Wrench expands into six corridors with independent operating and ventilation systems. Consequently, a substantial increase in refrigeration and upgrading of ventilation infrastructure and equipment is required in order to meet the ramp-up profile, particularly over the first three years of the plan.

Total project capital of R2,280m will be spent over the next six years, peaking at R582m in 2019. The bulk of this capital is required for underground infrastructure (R1,044m) and follow-on development (R724m), with the remainder budgeted for electricity (R104m), vertical development (R88m), fleet (R66m) and drilling (R58m). Most of these were part of original project capital that was deferred in 2013 (R1.2bn in 2009 money terms).

Importantly, most of the operating expenditure is now in the cost base of the mine, with the majority of the key skills and fleet now in place. As the mine ramps-up to steady state, we anticipate the operational gearing expected from a high fixed-cost mine like South Deep. As a result, we forecast steady state production AIC of below US\$900/oz (in 2017 terms).

Business Optimisation – Strategic Focus Areas (continued)

Damang Reinvestment

In October 2016, Gold Fields announced its reinvestment plan for the Damang Gold mine in Ghana which will extend the LoM by eight years from 2017 to 2024. The reinvestment plan will enhance the Group's presence in one of our key operating regions and result in significant social benefits for the country, including the creation and preservation of 1,850 direct and indirect employment positions.

Since operations at Damang commenced in 1997, the mine has produced in excess of 4.0Moz, sourced from multiple open pits. Production from the Damang Pit Cutback (DPCB) came to an end in 2013, and since then mining has focused on the margins of the Damang pit (Huni, Juno and Saddle areas) and lower grade satellite deposits. The decline in production since 2013 has been exacerbated by variations in grade in the northern and southern extremities of the DPCB and the Satellite Pits where grades have been lower than expected.

The reinvestment plan entails a major cutback to both the eastern and western walls of the DPCB. The cutback will have a total depth of 341m, comprising a 265m pre-strip to access the base of the existing pit. This will be followed by a deepening of the pit by a further 76m which will ultimately provide access to the full Damang pit ore body including the high-grade Tarkwa Phyllite lithology. To provide short-term ore supply whilst the Damang pre-strip is in

progress, mining will occur at the Amoanda, and paleoplacer satellite pits (Lima South, Kwesi Gap and Tomento East). In addition, the plan feed will be supplemented by low-grade surface stockpiles. Mining will be undertaken by two mining contractors, which have been mobilised and are on site.

Inclusion of the Damang cutback has resulted in a 72% increase in Proven and Probable Reserves from those declared in December 2015, to 1.67Moz.

Social and fiscal benefits

- » Direct and indirect employment of 1,850 people
- » Total royalties and taxes of >US\$120m
- » Investment in sustainable development projects of US\$5m over the LoM
 - Education: US\$1.5m
 - Health: US\$0.2m
 - Water and sanitation: US\$0.7m
 - Agriculture: US\$1.6m
 - Infrastructure: US\$1.0m

Damang LoM Plan

LoM	8 years
Tonnes mined (Mt)	165Mt
Tonnes milled (Mt)	32Mt
Head grade (g/t)	1.65g/t
Gold production (Moz)	1.55Moz
Mining cost (US\$/t)	US\$3.60/t
Processing cost (US\$/t)	US\$16.25/t
AISC (US\$/oz)	US\$700/oz
AIC (US\$/oz)	US\$950/oz
Project capital	US\$341m
IRR at US\$1,200/oz gold	28%
Payback period	4.5 years



Damang Pit, Ghana

Projects

Gruyere, Western Australia

In November 2016, Gold Fields entered into a 50:50 joint venture with Australian exploration company Gold Road Resources for the development and operation of the Gruyere gold project in Western Australia, one of the country's largest undeveloped gold projects. The joint venture comprises the Gruyere gold deposit and 144km² of exploration tenure.

Gruyere is a large shear hosted porphyry gold deposit, with a combined total Mineral Resource of 6.6Moz and Mineral Reserve of 3.5Moz (50% attributable to Gold Fields). It is located in Australia's newest goldfield, the Yamarna Belt, 200km east of Laverton in Western Australia, where our Granny Smith mine is located.

Gold Fields acquired a 50% interest in Gruyere for a total purchase consideration of A\$350m (US\$259m) and a 1.5% royalty on Gold Fields' share of production when total mine production exceeds 2Moz. Gold Fields has paid A\$250m of the purchase consideration with the remaining A\$100m payable according to an agreed construction cash call schedule. Gold Fields funded the deal through existing cash resources and banking facilities in Australia.

The feasibility study for Gruyere – completed in October 2016 by Gold Road Resources – indicated Gruyere's current Mineral Resources

and Mineral Reserves will support average annualised production of 270,000oz for a 13-year LoM. All-in Sustaining Costs (AISC) over the LoM are expected to be A\$945/oz (US\$690/oz) and All-in Costs (AIC) A\$1,103/oz (US\$805/oz), with construction capital expenditure estimated at A\$507m (US\$385m).

First production from Gruyere is expected at the end of 2018/early 2019. Gold Fields took over management of the project in February 2017. Gruyere will comprise an open pit mining operation utilising conventional drill, blast, load and haul activities with a process plant and associated infrastructure including an accommodation village, power station, gas pipeline and sealed airstrip. The power station and gas pipeline are contracted out and the capital cost is excluded from construction capital expenditure. The process plant will be a conventional gravity and Carbon-In-Leach (CIL) plant.

The joint venture company will continue to explore for similar-scale

deposits near Gruyere and has budgeted A\$11m (US\$8m) to drill 57,000m for this exploration programme during 2017.

The required environmental and regulatory approvals have been received from the Western Australian Government.

The Gruyere tenements are subject to the native title rights of the local indigenous population. In May 2016, Gold Road Resources concluded a native title agreement with the registered claim group, the Yilka and Cosmo Newberry Aboriginal Corporation (CNAC). This agreement provides access to the area, subject to the provision of financial, contracting and employment benefits to the Yilka and CNAC. This agreement has been assigned to Gold Fields. On 29 June 2016, the Federal Court determined the registered Yilka native title claim group and the unregistered Sullivan and Edwards native title claim group were entitled to hold native title together. The final form of the determination is yet to be settled.

Gruyere LoM Plan

First gold	Late 2018/early 2019
LoM	13 years
Annual production (100% basis)	270koz
AISC	A\$945/oz (US\$690/oz)
AIC	A\$1,103/oz (US\$805/oz)
Total capital cost (100% basis)	A\$507m (US\$370m)
IRR at A\$1,500/oz gold (including acquisition cost)	6%
Payback period	4.5 years



Gruyere project in Western Australia

Business Optimisation – Strategic Focus Areas (continued)

Salares Norte, Chile

The Salar Norte project is 100% Gold Fields owned and is focused on a gold-silver deposit in the Atacama region of northern Chile.

Mineralisation is contained within a high-sulphidation epithermal system, offering high-grade oxides. The project is located within a core 1,800ha concession area. Gold Fields has the option to purchase one adjoining concession that would add a further 1,200ha to the concession area.

The Group spent US\$39m on pre-feasibility study (PFS) work and further drilling in 2016, following on the US\$17m spent in 2015. Almost 100km of drilling has been completed to date. US\$64m is budgeted for further drilling and studies in 2017 with a decision on whether the project should progress to feasibility status expected by mid-2017.

In December 2016, Gold Fields updated the project's Mineral Resources profile, reporting a total Mineral Resource of 25.6Mt of gold at a grade of 4.6g/t to give 3.8Moz – of which 52% is in the Indicated category – and 43.8Moz of silver at an average grade of 53g/t. This Mineral Resource estimate comprises the Brecha Principal area (at PFS status) as well as the nearby Agua Amarga deposit (Scoping Study status). The study confirmed that Salar Norte will be an open pit mine, while metallurgical test work confirmed that a hybrid Carbon-in-Leach (CIL) process could deliver recovery rates of around 92% for gold.

Importantly, land easement for 30 years and water rights for the project were both granted in December 2016.

Salar Norte is also developing the environmental and social baseline to support the project schedule as part of its Environmental Impact Assessment (EIA). The environmental work entails baseline research comprising hydrogeological, flora, fauna and biodiversity studies, including research and recommendations on the protection of the endangered Short-tailed Chinchilla in the area. Once the EIA and baseline studies have been concluded – expected by Q4 2017 – Salar Norte will present the findings to the relevant Chilean regulators.

The social baseline at Salar Norte has also been expanded. While there are no indigenous claims or community presence on the concession or the dedicated access routes, Salar Norte has embarked on an extensive engagement programme with communities in the wider vicinity of the project.

Far Southeast, Philippines

The Far Southeast project is a proposed underground mine located in northern Luzon province – 250km north of Manila. The 900 million tonne copper-gold porphyry ore body has grades of approximately 0.7g/t gold and approximately 0.5% copper. At the end of December 2012, it declared an Inferred Mineral Resource of 19.8Moz of gold and 9,921Mlb of copper. This has not been updated.

The project is held by Far Southeast Gold Resources (FSGRI) in which Gold Fields has a 40% interest, with an option to increase its stake to 60%, and is adjacent to an existing mining operation with established infrastructure. Lepanto Consolidated Mining of the Philippines holds the

remaining 60% interest and manages the existing mining operation. Gold Fields impaired its investment in Far Southeast to US\$129m in 2015, as determined by an evaluation of Lepanto's market value on the Philippine Stock Exchange.

For Gold Fields to obtain a further 20% interest in the project, a Financial or Technical Assistance Agreement (FTAA) is required from the Philippine Government, and is dependent on obtaining the Free, Prior and Informed Consent (FPIC) of the local Kankana-ey indigenous people. A further condition is the renewal for a further 25 years of the existing mining tenement in which most of the FSE deposit occurs. This is pending resolution. The application for a FTAA was denied by the Mines and Geo-Sciences Bureau (MGB) in November 2015. FSGRI filed a motion for reconsideration with the MGB to reinstate the FTAA application but this motion remains pending. The application for Certification Precondition from the National Commission on Indigenous People (NCIP), which will complete the FPIC process, is also under consideration by the NCIP.

Amid the legal and administrative delays, the holding costs of this project have been reduced to approximately US\$210,000 per month, related mainly to environmental monitoring, community engagement work as well as activities to support the permitting process. Further material development of the project will be dependent on the renewal of the Mineral Production Sharing Agreement and Gold Fields obtaining majority ownership of the project.

Near-Mine Exploration in Australia

Near-mine exploration plays a key role in Gold Fields' strategy as we believe it offers one of the lowest-cost opportunities for growing cash-flow, particularly on a per share basis. The value in near-mine exploration lies in:

- » Knowledge of the ore bodies which enables the exploration teams to identify extensions or additional ore sources housed within the mining tenement
- » Operational capabilities, including Gold Fields' proven ability to develop and mine orogenic ore bodies
- » Regional and operational infrastructure including existing processing plants and regional management teams

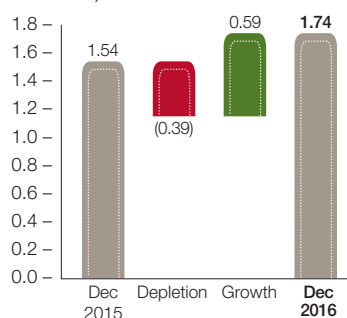
In addition to adding to Gold Fields' Mineral Resource and Mineral Reserve base, near-mine exploration:

- » Extends the life of the Group's existing mines
- » Ensures each region can continue to leverage its infrastructure
- » Provides a robust platform for regional growth

The benefits of effective near-mine exploration are evident in the history of the Agnew and St Ives mines in Western Australia. At the time of their acquisition in 2002, the mines had a combined Mineral Reserve of 2.9Moz. Since then, the two assets have produced around 9.5Moz and their combined Mineral Reserves remain largely unchanged. Gold Fields believes that most of its mines in Australia (which share similar orogenic ore bodies) will be able to repeat this success.

St Ives Mineral Reserve Reconciliation

(Gold – Moz)



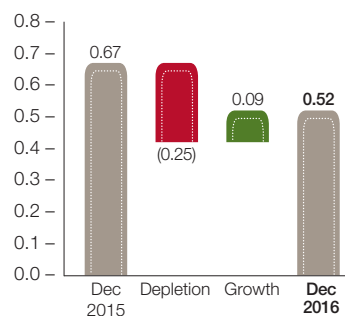
At St Ives, total exploration spend in 2016 was A\$40.9m.

A total of 240,946m were drilled during the year. This resulted in a 13% increase in Mineral Reserves to 1.7Moz and 5% increase in Mineral Resources to 3.3Moz, post depletion.

New discoveries accounted for an increase of 464koz to Mineral Resources, mainly from the Invincible Pit, Invincible Underground, Invincible South and Neptune. A maiden Mineral Resource of 875kt at 6.7g/t for 188koz was reported at Invincible South. A scoping study will be undertaken at the palaeochannel gold project in 2017, which will include 58,000m of air core drilling and geophysical surveys to refine the geological modeling and resource block models.

Agnew Mineral Reserve Reconciliation

(Gold – Moz)

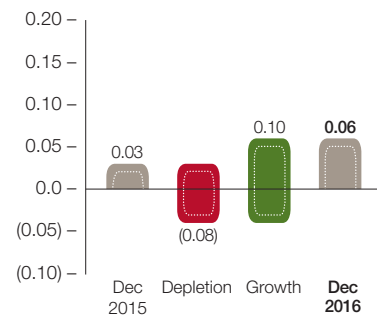


A\$28.4m was spent on exploration at Agnew during 2016 and a total of 143,134m were drilled during the year. Unfortunately, much of this drilling was unsuccessful and Mineral Reserves decreased 23% to 0.5Moz whilst Mineral Resources decreased 19% to 2.1Moz, post depletion.

The current focus is aimed at identifying incremental opportunities to maintain mill feed while assessing Waroonga North as a potential new mining front and also pursuing major discoveries to provide new Mineral Reserves in the future.

Darlot Mineral Reserve Reconciliation

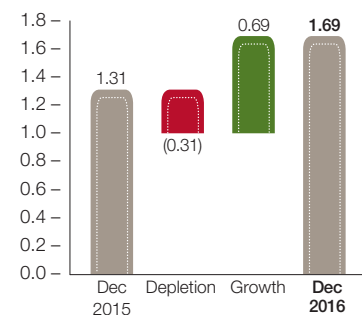
(Gold – Moz)



Darlot's focus in 2016 was on self-funded exploration programmes to replace production depletion and to extend the LoM. Total exploration spend was A\$10.9m in 2016 and a total of 44,847m were drilled during the year. As a result, the team were able to replace depletion and grow the Mineral Reserve by 64% to 0.06Moz. The Mineral Resource decreased by 14% to 0.22Moz. In February 2017, Gold Fields announced that it was starting the sales process for the mine.

Granny Smith Mineral Reserve Reconciliation

(Gold – Moz)



Total exploration spend at Granny Smith was A\$21.9m. A total of 232,438m were drilled during the year. This resulted in a 0.4Moz (29%) increase in Mineral Reserves and a 1.2Moz (24%) increase in Mineral Resources at Wallaby Underground.

Exploration from underground drilling platforms continued to grow the Wallaby lodes (Zones 100 and 120), both laterally and at depth. A maiden Inferred Resource of 770koz, declared on Wallaby Zone 135, further reinforces the consistency

Business Optimisation – Strategic Focus Areas (continued)

of the Wallaby ore body at depth. As at 31 December 2016, Granny Smith's Mineral Resources and Mineral Reserves were 6.52Moz and 1.69Moz, respectively.

TECHNOLOGY AND INNOVATION

Gold Fields established a new Technology and Innovation (T&I) division during 2016, led by EVP: Technical, Richard Butcher, who joined the Group in February 2016. This division has technical oversight throughout the Group and has developed a new T&I strategy by determining the best ways to improve safety, increase production and reduce operating costs.

Long-term transformational goals for the Company are defined by the T&I strategy. The thrust of the strategy is to modernise, integrate and optimise existing systems and processes before moving into mine automation. The strategy sets a number of long-term objectives for Gold Fields, which are outlined in the graphic below.

The strategy envisages three distinct phases, namely:

- » **Horizon 1 (one – two years):** Foundational phase
- » **Horizon 2 (three – seven years):** Transformation to the Gold Fields Mine of the Future
- » **Horizon 3 (seven years +):** The Gold Fields Mine of the Future

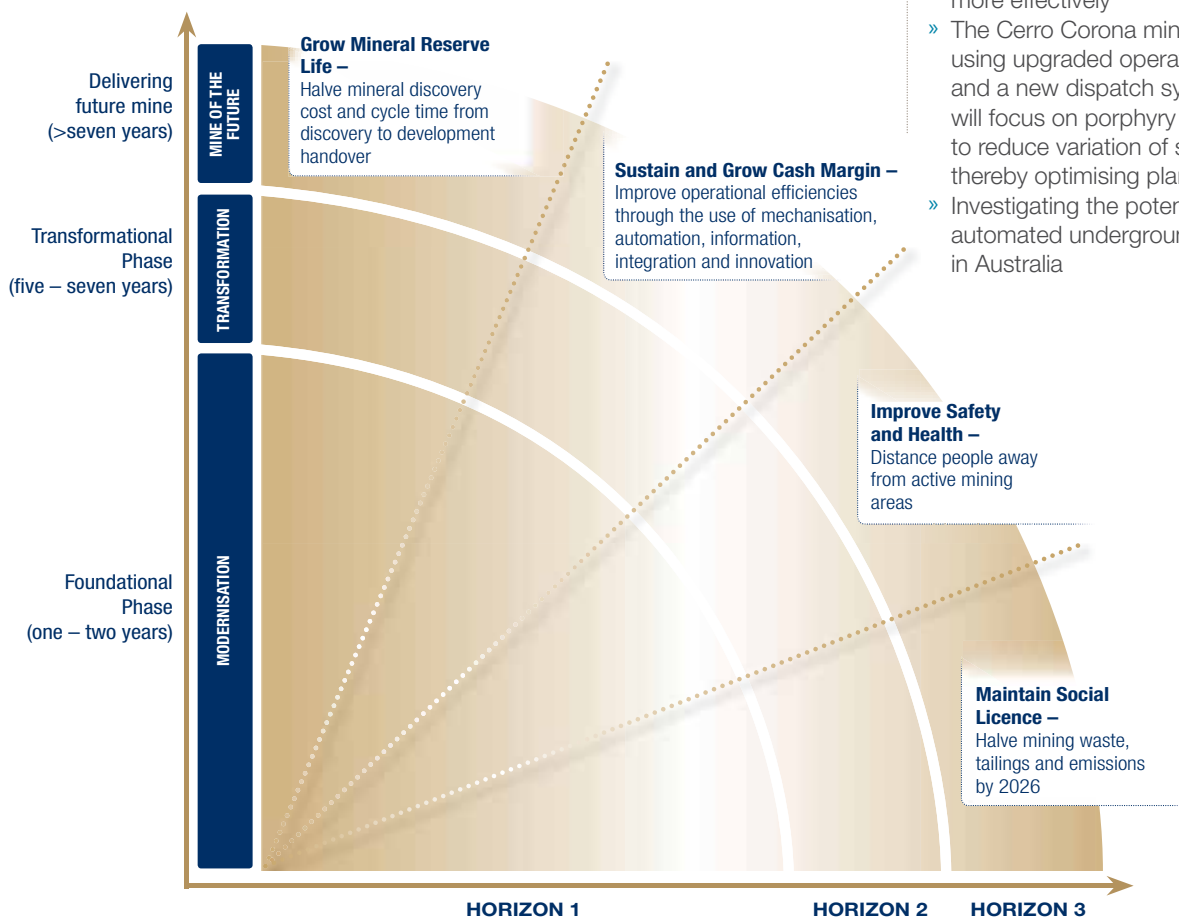
The ultimate goal of the strategy is to work towards the "Gold Fields Mine of the Future", which will be premised on automation, an integrated digital data platform, remote machine operation, virtual reality and reduced mining waste.

Recent advances in digitisation, automation and mechanisation highlight the importance of having strategies in place to implement new technologies. In addition, partnerships with IT companies and original equipment manufacturers (OEMs) that are leaders in the field will be integral to a successful T&I strategy.

As part of Horizon 1 Gold Fields has identified opportunities to boost efficiencies within Gold Fields' current regional portfolios, which span the exploration, mining and processing areas of the mining value chain:

- » The key focus for the Australian region is streamlining exploration time through real-time data management and the use of leading practice technologies in geochemistry and geophysics as well as analysis of existing geological data. This work is being led by a centralised team at our Perth office
- » In Ghana, the focus will be on data analysis to achieve end-to-end business optimisation. A key part of this programme is to complete fleet automation studies and trials, which could eventually serve as a business case for other open pit automation throughout the Group
- » The South Deep mine will upgrade its underground wireless connectivity and radio-communications systems, which will enable it to use technologies such as online maintenance and dispatch systems and remote operating equipment more effectively
- » The Cerro Corona mine will be using upgraded operating software and a new dispatch system that will focus on porphyry ore blending to reduce variation of stock feed, thereby optimising plant recoveries
- » Investigating the potential for a fully automated underground trial mine in Australia

Gold Fields' Technology and Innovation Strategy



MINERAL RESOURCE AND MINERAL RESERVE SUMMARY

Gold Fields' Mineral Resource and Mineral Reserve strategy is focused on realising our operations and projects full potential through appropriate funding and technical investment in exploration, resource development and reserve growth to support operational flexibility and longer-term sustainability. Key deliverables are cash-flow, profitability and return on investment.

This declaration is based on a Mineral Resource gold price of US\$1,400/oz (A\$1,850/oz; R650,000/kg) and a Mineral Reserve price of US\$1,200/oz (A\$1,600/oz; R550,000/kg). The gold price of US\$1,200/oz used for the Mineral Reserve declaration is within the guidelines of the US Securities and Exchange Commission (SEC), as it is lower than the three-year trailing average price of US\$1,225/oz. The copper price used for Mineral Resource estimation is US\$3.20/lb and for Mineral Reserves US\$2.30/lb for 2017, US\$2.5/lb for 2018 and 2019, increasing to US\$2.8/lb from 2020 onwards.

The Group's focus on strategically positioning the operations to deliver leading AIC, AISC and cash-flow margins, underpins their resilience to gold prices periodically trending lower. Business planning, over the next five years, entails the selection of cut-off grades, optimised pit shells, pit staging and stope sequencing with the objective of ensuring that operations are sustainable and cash generative in the short to medium term at lower gold prices. The Group's commitment to ongoing exploration and resource to reserve conversion

aims to ensure a quality pipeline of Mineral Reserves that will maintain operational flexibility and assist in sustaining margins at varying gold prices going forward. Annual production alignment to relevant Mineral Reserve mill-head grades shows that, notwithstanding our focus on cash-flow margins, we ensure retention of the longer term LoM integrity.

This section represents a condensed and consolidated overview of Gold Fields' Mineral Resources and Mineral Reserves. Full details are available in the Gold Fields' Mineral Resource and Mineral Reserve Supplement to the IAR. The Supplement contains a comprehensive review of the Group's Mineral Resources and Mineral Reserves as at 31 December 2016, which is available on the Gold Fields website at www.goldfields.com>investors

Corporate Governance

The reporting of Mineral Resources and Mineral Reserves for Gold Fields operations and projects is undertaken in accordance with the principles and guidelines of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code 2016 Edition) and Industry Guide 7 for reporting to the SEC. Other relevant international codes are recognised where geographically applicable. The respective operation-based Mineral Resource Managers, Technical Managers and relevant Project Managers have been designated as the Competent Persons in terms of SAMREC and take responsibility for the reporting of Gold Fields Mineral Resources and Mineral Reserves. Governance over the regulatory compliance with regard to the Group

Mineral Reserves and Mineral Resources has been overseen by the Gold Fields Group Competent Person, Tim Rowland, Vice-President, Mineral Resource Management and Mine Planning.

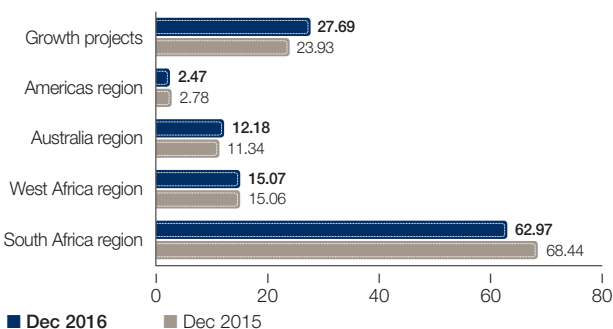
The headline Mineral Resource and Mineral Reserve Statement as at 31 December 2016 is compared to the 31 December 2015 declaration in the graphs below. The Mineral Resource and Mineral Reserve figures are estimates at a point in time, and will be affected by fluctuations in the gold price, US Dollar currency exchange rates, costs, mining permits, changes in legislation and operating factors. All metal commodities are reported separately and not as gold equivalents.

At 31 December 2016, Gold Fields' mines and projects had total attributable gold and copper Mineral Resources of 101Moz (December 2015: 102Moz) and 5,813Mlbs (December 2015: 5,912Mlbs), respectively. Attributable gold and copper Mineral Reserves are 48Moz (December 2015: 46Moz) and 454Mlbs (December 2015: 532Mlbs), respectively, net of mined depletion.

The respective gold and copper Mineral Resource figures (December 2016) are inclusive of all eight operating mines, as well as the Arctic Platinum, Salares Norte, Gruyere and Far Southeast projects. Other commodities and metal by-products that are reported as part of the Mineral Resource (platinum, palladium, nickel and silver) are contained in the Mineral Resource and Mineral Reserve Supplement.

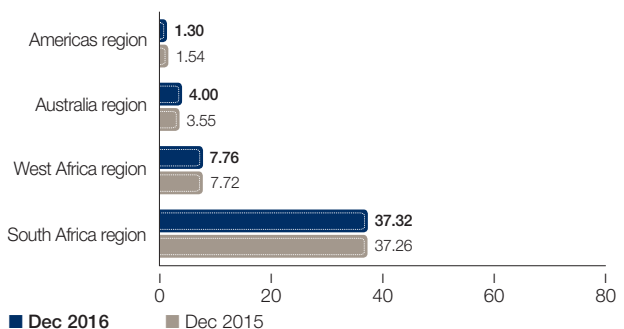
Managed Gold Mineral Resources

(Moz)



Managed Gold Mineral Reserves

(Moz)



Business Optimisation – Strategic Focus Areas (continued)

Gold Fields Mineral Resource Statement as at 31 December 2016¹

Headline Numbers

	Managed Mineral Resources						Attributable ounces	
	31 Dec 2016			31 Dec 2015			31 Dec 2016	31 Dec 2015
	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Gold (Moz)	
Gold only								
Total regions ²	955.4	3.25	99.8	883.4	3.55	101.0	92.8	93.5
Total projects ³	1,100.2	0.58	20.6	1,100.2	0.58	20.6	8.7	8.7
Total operating mines and projects	2,055.6	1.82	120.4	1,983.5	1.91	121.5	101.5	102.2

Operational Summary

	Managed Mineral Resources						Attributable ounces	
	31 Dec 2016			31 Dec 2015			31 Dec 2016	31 Dec 2015
	Tonnes (Mt)	Grade (g/t)	Gold (koz)	Tonnes (Mt)	Grade (g/t)	Gold (koz)	Resource (koz)	
Gold								
Australia operations								
Agnew/Lawlers	12.5	5.31	2,142	16.3	5.05	2,656	2,142	2,656
Darlot	1.2	5.97	224	1.2	6.51	260	224	260
Granny Smith	35.2	5.76	6,52	30.4	5.40	5,279	6,52	5,279
St Ives	30.1	3.40	3,297	29.1	3.35	3,141	3,297	3,141
Gruyere	76.8	1.34	3,307	—	—	—	3,307	—
Total Australasia region	155.9	3.09	15,490	77.1	4.57	11,336	15,490	11,336
South Africa operation								
South Deep	340.0	5.76	62,971	331.9	6.41	68,436	57,483	62,503
Total South Africa region	340.0	5.76	62,971	331.9	6.41	68,436	57,483	62,503
Peru operations								
Cerro Corona	97.6	0.79	2,468	109.2	0.79	2,777	2,456	2,764
Salares Norte	25.6	4.60	3,794	26.8	3.88	3,347	3,794	3,347
Total Americas region	123.2	1.58	6,262	136.0	1.40	6,124	6,250	6,111
Ghana operations								
Damang	84.7	2.19	5,978	79.6	2.20	5,625	5,38	5,063
Tarkwa – open pits	183.2	1.38	8,116	192.2	1.38	8,511	7,304	7,66
Tarkwa – surface stocks	68.4	0.44	978	66.6	0.43	924	880	831
Total West Africa region	336.4	1.39	15,071	338.4	1.38	15,06	13,564	13,554
Gold only								
GFL Operations – total gold	955.4	3.25	99,795	883.4	3.55	100,956	92,788	93,504

(Americas region) Cerro Corona	Tonnes (Mt)	Grade (% Cu)	Copper (Mlbs)	Tonnes (Mt)	Grade (% Cu)	Copper (Mlbs)	Attributable Copper (Mlbs)
Copper							
Copper only	90.5	0.41	815	102.0	0.41	914	811

(Americas region) Cerro Corona	Tonnes (Mt)	Grade (g/t)	Silver (koz)	Tonnes (Mt)	Grade (g/t)	Silver (koz)	Attributable Silver (koz)
Silver							
Silver only	25.6	53.1	43,761	26.8	48.9	42,130	43,761

Gold Fields Mineral Reserve Statement as at 31 December 2016

Headline Numbers

	Managed Mineral Reserves						Attributable ounces	
	31 Dec 2016			31 Dec 2015			31 Dec 2016	31 Dec 2015
	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Gold (Moz)	
Gold only								
Total operating mines and projects ⁴	572.2	2.83	52.1	532.6	2.92	50.1	48.1	46.1

Operational summary

	Managed Mineral Reserves						Attributable ounces	
	31 Dec 2016			31 Dec 2015			31 Dec 2016	31 Dec 2015
	Tonnes (Mt)	Grade (g/t)	Gold (koz)	Tonnes (Mt)	Grade (g/t)	Gold (koz)	Reserve (koz)	
Gold								
Australia operations								
Agnew/Lawlers	3.0	5.39	515	3.4	6.16	670	515	670
Darlot	0.5	3.84	56	0.2	5.63	34	56	34
Granny Smith	9.9	5.30	1,693	7.0	5.86	1,310	1,693	1,310
St Ives	21.5	2.52	1,740	17.6	2.72	1,542	1,740	1,542
Gruyere	45.8	1.20	1,760	—	—	—	1,760	—
Total Australasia region	80.7	2.22	5,764	28.1	3.93	3,555	5,764	3,555
South Africa operation								
South Deep ⁵	217.6	5.34	37,324	218.8	5.30	37,257	34,072	34,027
Total South Africa region	217.6	5.34	37,324	218.8	5.30	37,257	34,072	34,027
Americas operation								
Cerro Corona	46.1	0.88	1,302	53.1	0.90	1,543	1,296	1,535
Total Americas region	46.1	0.88	1,302	53.1	0.90	1,543	1,296	1,535
West Africa operations								
Damang	31.8	1.64	1,674	21.2	1.43	973	1,506	876
Tarkwa – open pits	127.7	1.24	5,104	144.8	1.25	5,822	4,593	5,24
Tarkwa – surface stocks	68.4	0.44	978	66.6	0.43	924	880	831
Total West Africa region	227.9	1.06	7,755	232.6	1.03	7,719	6,98	6,947
Gold only								
Total gold	572.2	2.83	52,146	532.6	2.92	50,073	48,112	46,064

	Tonnes (Mt)	Grade (% Cu)	Copper (Mlbs)	Tonnes (Mt)	Grade (% Cu)	Copper (Mlbs)	Attributable Copper (Mlbs)	
(Peru) – Cerro Corona								
Copper								
Copper (Cu) only	46.1	0.45	456	53.1	0.46	534	454	532

¹ Managed, unless otherwise stated

² Including Gruyere and Salares Norte

³ Arctic Platinum Project and Far Southeast only

⁴ Including Gruyere

⁵ Reserve grade is inclusive of in section ore and waste development tonnes, which cannot be separated from the ore flow, however capital waste is excluded as there is a potential to separate it in future

Business Optimisation – Strategic Focus Areas (continued)

ENERGY AND CLIMATE CHANGE

Mining and processing of gold is an energy intensive process, exacerbated by changing ore geology, declining grades, longer hauling distances and increasing mine depths. The management of energy use and adapting to the adverse impacts of climate change are material for virtually every country and company across the world. As such, sustainable energy use and climate change mitigation and adaptation have been identified as one of Gold Fields' top five sustainability priorities until 2020.

The infographic on p82 – 83 of this section explains Gold Fields' integrated energy and carbon management journey, with a particular focus on the low-carbon, energy efficiency and renewable energy initiatives implemented in 2016.

With energy spend accounting for a significant portion of Gold Fields' operating costs (2016: 19%, 2015: 22%, 2014: 21%), energy efficiency and cost savings initiatives are critical components of Group-wide cost saving initiatives.

Integrated Energy and Carbon Management

Through its Integrated Energy and Carbon Management Strategy, Gold Fields integrates energy and carbon management into all aspects of its business to ensure energy security, improved management of energy costs, improved energy efficiencies and sustainable reduction of its carbon footprint. Full details of our Group and operational energy consumption and carbon emissions data is contained on our website at www.goldfields.com/sustainability. Some of the salient features of the Group's 2016 energy and carbon performance were:

- » Group energy spend declined from US\$312m (US\$139/oz) in 2015 to US\$289m (US\$130/oz) in 2016
- » Total energy consumption increased by 4% to 11,696,446GJ from 11,240,369GJ in 2015. Of

total energy consumption during 2016, 57% comprised diesel (6,607,770GJ) and 43% electricity (5,041,518GJ) similar to the split in 2015

- » Group electricity consumption was 1,400,422MWh, a 6% increase on 2015. This reflected higher gold production (up by 47%) at South Deep, increased tonnes mined throughout the Group, the addition of ventilation shafts at our Australian operations and increased dewatering due to heavy rains at the Australian and Ghanaian mines
- » Diesel consumption reduced by 4.7% from 192,518kl in 2015 to 183,498kl due to the commissioning of the gas plant at Granny Smith, reduced usage of diesel power generators at Damang, optimised mining operations and fuel management initiatives implemented at our mines. Diesel consumption increased at the Tarkwa and St Ives mines
- » Diesel spending reduced by 13% to US\$129m (2015: US\$149m) amid a stagnant oil price and reduced diesel usage at the operations; with a 1.2% modest decline in our electricity spend to US\$160m (2015: US\$162m)
- » Commissioning of gas-powered power generation technologies at Granny Smith, Tarkwa and Damang (p79 – 80) as part of our ongoing switch to low-carbon, alternate and renewable energy sources
- » Continued commitment to using 20% renewable energy on all new projects over the LoM of these projects. Salares Norte in Chile is currently undergoing an evaluation
- » Total carbon emissions increased by 12% to 1,963,758t CO₂-eq from 1,753,163t CO₂-eq emissions in 2015. Our scope 1 emissions rose due to higher diesel consumption, while our scope 2 increased due to country-specific emissions factors

In 2016, low global oil prices and a stagnant gold price made some of our fuel-switching energy initiatives not economically viable. Despite the

difficult economic and tough physical conditions of gold mining, Gold Fields still managed to achieve some energy savings and carbon emissions reductions in 2016.

These included:

- » Energy savings of 323TJ – 3% of our 2016 energy budget
- » Financial savings of US\$11m from energy initiatives – our target was US\$21m
- » Avoidance of carbon emissions totalling 56,005t CO₂-eq as a result of the energy and carbon reduction initiatives

Group energy budgets, energy savings and carbon reduction target estimates are determined at the beginning of each year, against the annual production plan. Thus, changes in the production will directly affect ability to reach the target estimates.

Most critically though is that our average energy spend per ounce of gold produced declined by 6.3% to US\$130/oz in 2016 (2015: US\$139/oz, 2014: US\$158/oz). Energy efficiency initiatives reduced energy spend by an equivalent US\$5/oz. This is despite the fact that the actual energy usage per ounce of gold produced increased by 5.0% to 5.27GJ/oz in 2016. Reflecting slightly lower grades throughout our operations, the tonnage mined by Gold Fields during 2016 was up by 12%, however, mining energy intensity improved to 0.06GJ/t mined (2015: 0.07GJ/t).

Energy optimisation savings initiatives take time to make an impact – we calculate that the effect of various energy efficiency and business optimisation initiatives introduced across Gold Fields over the past five years have resulted in cumulative energy savings of 1,098TJ between 2012 and 2016. This has led to US\$41m in cumulative cost savings and avoidance of 165,005t CO₂-eq in emissions.

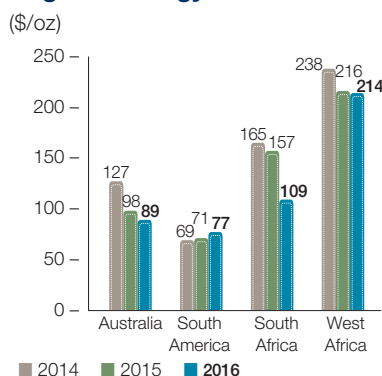
In 2016, Gold Fields updated its Group Energy and Carbon Management Guideline to align with ISO 50001, the global energy management standard. The guideline entrenches a systematic approach to our energy management as a business optimisation continual improvement programme and shifts our focus from individual energy efficiency initiatives.

Regional Energy and Carbon Emission Performance

In 2015, Gold Fields developed and started implementation of regional five-year energy security plans, taking into account localised energy supply risks and opportunities, with a specific focus on West Africa and South African operations. From 2017 short-term operational targets for energy use, cost and carbon emissions will be set against annual energy and production plans. They will be set in absolute GJ, energy costs (US\$) and absolute carbon emission (tonnes CO₂-eq) avoided, based on planned and feasible initiatives. Initiatives will still be recognised for three years from date of implementation. Through this process, we are able to develop Group medium-term (2020) energy and carbon reduction targets.

All regions have seen a decline in energy spending per ounce as seen in the graph below, owing to a number of external and internal drivers, such as exchange rates, varying levels of increases in regional electricity and diesel unit prices, energy efficiency initiatives. Some of the successful energy spend curtailment initiatives are outlined below.

Regional energy costs



Americas

Peru electricity market has experienced an oversupply situation due to planned large mining projects that have not yet been implemented and the regulated electricity charges continue to increase. Thus, at Cerro Corona we renegotiated electricity tariffs with an independent power provider for a power purchase agreement (PPA) extending to 2027. Efficiency initiatives saved the mine 29,430GJ, equivalent to US\$0.55m in 2016 (2015: US\$3m) and avoided 2,363t CO₂-eq in carbon emissions.

A trial application of a diesel additive product over a 25-day period saw fuel savings of 4.8% from selected haulage trucks. Moreover, observed carbon monoxide and nitrogen monoxide emission reductions were as high as 22% and 23%, respectively. Based on this trial's success, we expect to save US\$280,000 per year in fuel when applied over Cerro Corona's hauling fleet. The roll out for this initiative is planned for 2017.

A pre-feasibility study under way at Chile's Salares Norte mine includes the development of a plan exploring renewable energy supply options, over the LoM.

Australia

Due to their remote locations, Gold Fields' Australian operations have limited, but stable, power supply. As such, the focus for 2016 has been to implement a fuel switch strategy, while reassessing energy security and monitoring energy efficiency initiatives.

In 2016 we commissioned a 24MW gas-powered plant at the Granny Smith mine, our portion of the total costs was A\$4.5m (US\$3.3m). Savings of around A\$5.4m (US\$3.9m) a year at current oil prices are expected. All operations in Australia are now powered by gas instead of diesel.

After registering the Granny Smith gas plant with the Australian Emissions Reduction Fund (ERF), we have been able to successfully auction carbon emission credits to the Australian Government as the

plant switches from a heavy carbon (diesel) to a low carbon (gas) power source. The ERF is expected to abate 85,000t CO₂-eq emissions potentially over seven years.

Following annual energy security risk assessments, we have developed a load management action plan for Agnew mine, which faces heavy penalties should its contracted maximum demand of electricity be exceeded for a sustained period of time. Mitigating actions – such as running the cooling plant on diesel power – are currently being implemented, while a long-term energy security solution is explored.

South Africa

In response to the rolling load shedding that South Africa experienced in 2015 and uncertainties regarding electricity price increases, South Deep's five-year energy security plan incorporates a range of energy efficiency improvements and alternative energy sources.

An essential component of the plan is the use of solar power at the mine.

An independent power producer was appointed in October 2016 to develop, build, own and operate a 40MW photovoltaic (PV) plant located at South Deep. The facility will be made up of approximately 150,000 solar panels. The plant is expected to generate 100GWh/year, equivalent to 20% of the mine's annual 500GWh electricity consumption, and avoiding carbon emissions estimated at 100,000t CO₂-eq per annum. We expect the initial PPA price to be on par with state utility Eskom tariffs, and set to fall below Eskom tariffs in due time. The expected commercial operation date of the project is Q4 2018.

Other initiatives completed at South Deep mine in 2016 include:

- » Continuing to retrofit 75kW fans with 10 energy efficient 55kW fans, resulting in an annual saving of 2,190MWh (equivalent to US\$100,000 in cost savings) and avoiding 2,256t CO₂-eq carbon emissions

Business Optimisation – Strategic Focus Areas (continued)

- » Installing 22 new jet fans in the destress mining area, which will see an annual saving of 500MWh (equivalent to US\$30,000) and avoiding 513t CO₂-eq carbon emissions.

Roof top solar panels installed at Gold Fields Johannesburg's corporate office in December 2015 led to significant savings in grid electricity usage and costs during 2016. The 128kWp (peak output), 823m² polycrystalline solar PV array on the roof of the corporate office provides for approximately 50% of the building's electrical load and contributes to reduction of our carbon footprint. (See p83.)

West Africa

During 2016, the electricity consumption curtailment was eased from 30% in 2015 to 25%. Supply disruptions from the state-owned Volta River Authority (VRA), due to gas shortages and low dam levels, remained an operational constraint. Energy prices also rose due to infrastructure levy increases. With electricity demand in Ghana expected to surpass generation capacity until 2020, Tarkwa and Damang initiated a number of actions during 2016 as part of their five-year energy security plans.

The most significant of these was the construction of two Genser Power-owned gas turbine power plants to supply a total of 40MW of electricity to both mines under a purchasing power agreement. The total capacity of the Tarkwa plant (three 11MW units) and the Damang plant (five 5.5MW units) are beyond our current power requirements and will ensure a reliable supply to both operations. They were commissioned in December 2016 and will result in significant electricity cost savings: Tarkwa's electricity supply costs are expected to drop by about 14%, and Damang's costs by about 30%.

The key features of the Genser agreement are:

- » It is a 20-year PPA for an initial 40MW of which 20MW is provided from dual-fuel turbines at both Tarkwa and Damang; an additional

20MW is planned for installation at Tarkwa by January 2018

- » The power plants will have sufficient on-site gas storage capacity to meet each mine's total load (36MW at Tarkwa and 17MW at Damang) thereby mitigating any gas supply disruptions
- » By January 2018, Genser should be in a position to provide 100% of the power supply needs at these operations and surplus power produced by Genser could be wheeled to other consumers

Tarkwa introduced a number of other energy efficiency initiatives during 2016:

- » Implementation of a dedicated eco-driver training system at Tarkwa, which is compulsory for both new and current vehicle operators. Trials during 2016 indicate that once the system is rolled out energy savings of 72,469GJ can be achieved leading to annual cost savings of around US\$2m
- » A new study on a fuel additive at Tarkwa indicates a possible 4,881kℓ fuel saving per annum, equating to an anticipated 13,023t CO₂-eq reduction. The estimated annual monetary saving from the initiative is US\$2.4m. A test trial is being developed
- » Several process optimisation initiatives such as reducing tramming time and excavators diesel use were also implemented

An energy efficiency study of the Accra regional office showed potential energy savings of 18,922GJ (translating to a monetary saving estimate of US\$1.3m) through installations of LED illumination, solar geysers and energy efficient air conditioners. The feasibility of rooftop solar power to minimise grid power dependency is also being assessed.

Climate Change and Carbon Emissions

Carbon emission reduction and climate change mitigation and adaptation represent a material issue for Gold Fields due to:

- » The long-term risks posed by climate change to the Group's operations, host communities and to society as a whole

- » A commitment to conforming to carbon emission regulations being introduced in a range of jurisdictions
- » Rising costs associated with taxes attached by governments to non-renewable energy consumption

Gold Fields' total scope 1 – 3 CO₂-eq emissions during 2016 amounted to 1,963,759t (2015: 1,753,163t), leading to a commensurate increase in our emissions intensity from 0.59t CO₂-eq/oz in 2015 to 0.69t CO₂-eq/oz in 2016. Emission intensity varies by region, ranging from 0.31t CO₂-eq/oz in Peru, which relies mainly on gas and hydro generated electricity, to 1.92t CO₂-eq/oz in South Africa, which relies almost exclusively on coal generated electricity.

Gold Fields Climate Change Policy

Following the climate change risk assessments carried out in 2016, a Group Climate Change Policy was published, replacing the Group Carbon Management Policy that has been in place since 2013 and focused mainly on addressing these effects through energy management.

Thus, the policy advances and communicates a balanced mitigation and adaptation approach to achieving our climate change objectives. The policy contains a set of commitments that include:

- » Conducting climate change vulnerability assessments utilising Group risk guidelines and International Council of Mining and Metals (ICMM) tools and guidelines
- » Annually reporting and disclosure via a number of reporting frameworks including the CDP and the Dow Jones Sustainability Index
- » Mitigating the effects of climate change by increasingly investing in renewable energy and low-carbon energy sources, energy efficiency initiatives and water use optimisation initiatives
- » Supporting research, development and innovation to assist our operations in coping with climate change
- » Factoring in a regional carbon price for both costing and as potential revenue streams

- » Participating in industrial forums, including the ICMM climate change and energy working group, stakeholder and NGO engagements

Climate Change Vulnerability Assessments

During 2016, we worked with the ICMM to pilot a climate-data viewer tool that gives insight into physical changes in precipitation, temperature, wind and water stress levels from 2025 to 2045 based on 15 global climate models. This tool enables ICMM members to assess their operations' vulnerability to climate change using a common tool. The risk assessments covered the entire mine life cycle, including post-closure.

Gold Fields applied this tool in all its operations and followed that with detailed risk assessments for Peru, South Africa and Australia, with West Africa assessments scheduled for early 2017. Results from the tool indicate that our operations will to varied degrees experience higher temperatures, decreases in annual rainfalls, and an increase in the intensity of storm events, all of which may have financial and non-financial impacts both for the mines and surrounding communities. Specific implications for each operation will vary depending on the operational life cycle. Some of the key findings are listed below.

Operational adaptation plans are being developed to ensure operational resilience. A critical part of this work is co-operating with non-governmental organisation (NGOs) and adjacent communities in addressing climate change risks around these communities. At our Cerro Corona mine in Peru we are working with USAID and the Lutheran World Relief on climate change adaptation and management of water resources for communities in the Hualgayoc district adjacent to the mine. Amongst measures introduced are the establishment of watershed committees, the development of eight localised water systems to improve irrigation efficiencies and training in sustainable water harvesting.

Region	Risk Description
Americas	<ul style="list-style-type: none"> » Intense storms leading to our water pumping and treatment capacity being exceeded » Interruptions to the transport network leading to bottlenecks at the concentrate storage facility » Higher sea undulations could lead to disruptions in the port operations and the need to increase capacity in the concentrate storage warehouse » Water availability constraints could lead to reduced agricultural productivity
Australia	<ul style="list-style-type: none"> » Increases in flooding events could lead to pressure being placed on operation's flood management capabilities and restrictions on personnel and suppliers' access to site » Declining availability of suitable quality processing water due to lower rainfall » Legislative changes imposing restrictions on water use and punitively limiting emissions
South Africa	<ul style="list-style-type: none"> » Increases in temperatures – potentially exposing our surface operations to heat exhaustions, in the long term, underground cooling demand will increase » Increases in variability and intensity of rainfall – exposing South Deep to periods of drought and increased water stress, as well as floods as storm intensity increases



Tailings Storage Facility at Cerro Corona, Peru

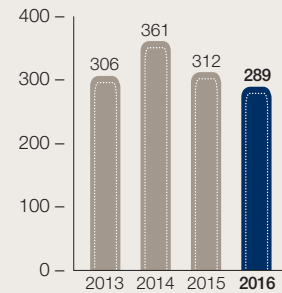
Gold Fields' Energy and Carbon Management Journey

WHY DOES ENERGY AND CARBON MANAGEMENT MATTER?

» Energy contributes to Group operating costs

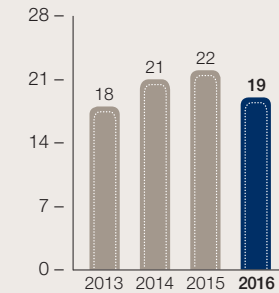
Energy spending

Group (US\$m)



Energy costs

(% of Opex)

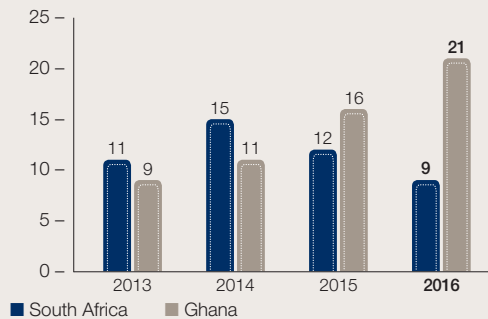


» Energy security and costs are critical considerations for our South African and Ghanaian Mines



Average utility tariff increases

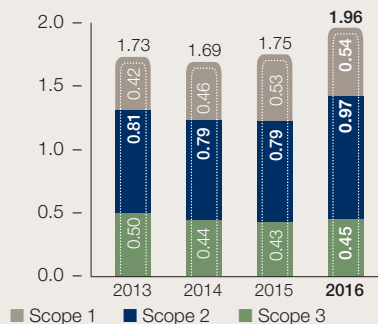
(%)



» Increase in carbon footprint

Group CO₂ emissions – Scope 1, 2 and 3

(Million tonnes)



OUR RESPONSE

» **Energy management** (comprising both electricity and fuel) elevated as a top priority – in terms of curtailing both costs and carbon emissions as well as ensuring security of supply

» **Commitment by Board** and Group Exco – strong strategic intent driven by Board

» **Five-year energy** security plans developed and implemented in all regions in 2015

» **Set three-year** regional carbon emission and energy efficiency targets to 2016 and revised 2020 targets

» **Energy and carbon** performance contained in the balanced scorecards of senior and line management from 2015 onwards

» **Commitment to 20%** renewable energy in all projects. Salares Norte, Chile, (below) set to be the first to be evaluated



» Commitment to transparency:

- Carbon Disclosure Project (CDP) participation since 2007



» Partnership with the

- Rocky Mountain Institute and Carbon War Room
- Lutheran World Relief and USAID



» ICMM collaboration on key climate change initiatives:

- Piloted a climate data viewer tool
- Undertook climate change vulnerability risk assessments at all our operations
- Support the ICMM climate change statement
- Signed the Paris Pledge for Action



COMMITMENTS TO LOW-CARBON ENERGY



» Solar panels at Gold Fields' Sandton Head office (above)

- Commissioned in November 2015 – 128KW capacity
- Reduction in grid electricity consumption by 45% between 2015 and 2016
- Average reduction in grid electricity costs of 24% between 2015 and 2016



» IPP appointment for the 40MW solar PV plants at South Deep, South Africa

South Deep's current electricity status:

- Grid connected (Eskom), 95% of electricity from coal
- Energy spend is 13% of operating spend
- Average load 55MW, to peak at 80MW

» Genser gas plants commissioned to supply Tarkwa and Damang in Ghana (below)

- Reduce reliance on power utilities
- Estimated 50,000t of CO₂-eq avoided



» Aggreko gas plant commissioned to supply Granny Smith in Australia

- Full energy supply to the mine
- Energy cost reduction – replacement of diesel
- Australian Emissions Reduction Fund (ERF) to achieve savings of around 13,000t CO₂-eq a year. ERF credits can be sold, with the price depending on ruling auction prices

THE OUTCOMES TO DATE

» Group cumulative energy initiatives

saved 1,098TJ between 2012 and 2016 from energy initiatives

» US\$41 million in cumulative cost savings

» 165,000t CO₂-equivalent in carbon emissions avoided

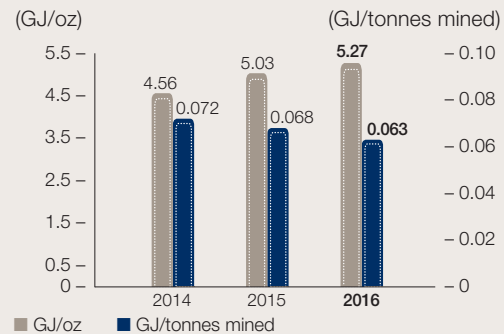
» Long-term leadership in climate disclosure and performance

» Greater reliance on self-generated electricity and reduction of dependence on grid electricity

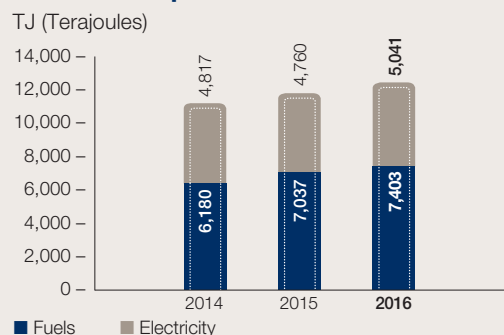
» CDP: persistent strong disclosure and mitigation performance



Group energy efficiency

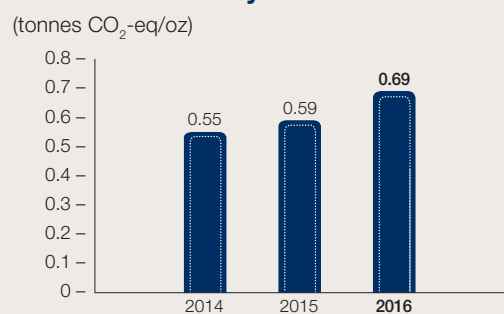


Group total electricity and fuel consumption¹



¹ Total direct and indirect energy consumption

Emissions intensity¹



¹ Based on Scope 1 and 2 emissions only

Licence to Operate – Introduction

This section deals with the areas of the business that impact Gold Fields' ability to receive or renew its regulatory licences to operate as well as societal acceptance of our operations – our “social licence to operate”.

Regulatory licences are issued by governments at all levels – national, regional and local – and require first and foremost good corporate citizenship from Gold Fields in terms of adherence to all relevant legislation, including the payment of taxes and other levies. These are discussed in the government relations section on p94 – 95.

Societal acceptance is mostly achieved by building strong relationships with the communities that host our mines and with governments at all levels. This is not merely a compliance-based approach but one that seeks to ensure that we secure the long-term support and acceptance of governments and communities through the sustainable development of our mines and projects.

However, if not managed optimally, mining has the potential to affect both the physical environment and our key stakeholders, particularly communities living in close proximity to our mines or projects. Environmental and social impacts can materially impact Gold Fields' ability to receive or renew its regulatory licences as well as societal acceptance of our operations.

In our 2016 Group Performance Scorecard (p25), we focused on the following material licence to operate issues to the business:

- » Environmental stewardship, comprising energy and climate change management (under business optimisation, p56), Water (p88), tailings and waste (p91) and mine closure (p93)
- » Government engagement (p94), community relations and shared value (p98) and human rights (p100)

We generate and share significant value for the societies in which we operate. Our total value distribution, graphically depicted on p12, details the economic value we create at Group level as well as in our four countries of operation. During 2016, Gold Fields' total value distribution to our stakeholders – as measured by World Gold Council standards – was US\$2.5bn, in the form of payments to governments, capital providers, business suppliers and employees.

ENVIRONMENTAL STEWARDSHIP – OVERVIEW

Gold Fields' approach to environmental management is determined by relevant local legislation and regulations, our sustainable development framework, as well as the ISO 14001 international environmental management system standard, the principles of the International Council on Mining and Metals (ICMM) and the UN Global Compact. Additional local priorities are identified through stakeholder consultation. Each of the Group's operations is certified to ISO 14001.

Internally, Gold Fields has implemented policy statements and four Group-level guidelines, which reflect our environmental priorities. These concern energy and carbon management, water management, tailings management and mine closure. A summary of the Group guidelines can be found on the Gold Fields website at www.goldfields.com>sustainability. These guidelines set out the systems and processes necessary to ensure the application of consistently good environmental management practices across the Group while allowing a degree of adaptation to local circumstances.

To ensure Group-wide conformance with the guidelines, each operation conducts self-assessments to ascertain the levels of conformance with the guidelines. Action plans have been put in place to address

any gaps and these will be assessed during 2017.

During 2016, the Group spent US\$10m on environmental management, compared with US\$35m in 2015, as some spending previously classified as environmental now falls under operational expenditure. Total gross mine closure liabilities in 2016 were estimated at US\$381m (2015: US\$353m) (p93).

Environmental Incidents

Gold Fields reports environmental incidents using a Level 1 (most minor) to 5 (most severe) scale¹. We have not recorded any Level 4 or 5 environmental incidents in the past six years, thereby achieving our target of zero Level 4 and 5 incidents. During 2016, we did, however, experience 131 Level 2 environmental incidents (2015: 67) and three Level 3 environmental incidents (2015: five). The details of the Level 3 incidents – all at our Ghanaian operations in Q1 and requiring notification to the Ghana Environmental Protection Agency (EPA) – were as follows:

- » **Tarkwa, 13 January 2016:** A truck reversed into another service truck damaging the fuel pumping unit, causing around 10,500 litres of fuel to be spilled. Approximately 8,000ℓ were collected for filtration and reuse
- » **Tarkwa, 9 March 2016:** During working operations a rock hit an excavator's hydraulic hose, which burst and spilled approximately 2,900 litres of oil, the bulk of which was cleaned up
- » **Damang, 27 March 2016:** After heavy rainfall and a blockage in the tailings delivery pipeline approximately 20,000 litres of tailings slurry and supernatant water spilled into a nearby event pond, causing fish in the pond to die. Most of the overflow slurry was returned to the tailings dam. To prevent a recurrence, a return pump was installed to empty the perimeter drain at all times. Additionally, the base wall for the dam perimeter was raised to increase the dam's capacity

¹ Levels 1 and 2 involve minor incidents or non-conformances, with negligible or short-term limited impact. A Level 3 incident implies limited non-conformance or non-compliance that results in ongoing but limited environmental impact. Level 4 and 5 incidents include major non-conformances or non-compliances, which could result in long-term environmental harm, with operation-threatening implications

Environmental Approvals

During 2016, we received approval for a number of key projects at our operations, including:

- » In December 2016, St Ives received approval from the Western Australian EPA to mine five new areas on Lake Lefroy, the salt lake on the mine's tenement. Projects approved include the future underground operation at Invincible and the Neptune, Invincible South, Incredible and Pistol Club open pits
- » St Ives has also submitted extended expansion plans for the mine entitled "Beyond 2018", which would impact a further 7,000ha on the tenement. The EPA has ruled that a full public environmental review process is required for these plans. This

process includes environmental impact assessments and heritage surveys

- » The Western Australian EPA also approved the Gruyere project, which is a joint venture between Gold Fields and Gold Road Resources
- » Cerro Corona is preparing to submit its eighth update of the mine's EIA
- » The Chilean General Water Directorate granted water rights for our Salares Norte project in December 2016, after an engagement process of almost two years
- » The Salares Norte land (easement) application for almost 1,900ha was granted for a duration of 30 years following a process lasting more than two years

- » South Deep finalised and submitted the consolidation of its approved Environmental Management Programme reports to the Department of Mineral Resources for approval
- » Ghana's EPA has issued the environmental certificate for the Tarkwa mine, valid from November 2015 to November 2018. The certificate excludes the construction and operation of the Tailings Storage Facility 5, which is still at permitting stage
- » Tarkwa is awaiting approval from the EPA for the decommissioning and reclamation of its heap leach facilities
- » At Damang, the Ghana Minerals Commission approved the raising of the East Tailings Storage Facility

Group Environmental Performance

	2016	2015	2014	2013
Environmental incidents (Level 3) ¹	3	5	4	3
Water withdrawal (Mℓ) ²	30,321	35,247	30,207	30,302
Water recycled/reused (Mℓ)	44,274	43,120	42,409	33,453
Water discharge (Mℓ)	15,102	18,492	11,620	2,526
Gross closure costs (provisions) (US\$m)	381	353	391	355
CO ₂ emissions (scope 1 and 2) ('000 tonnes) ^{3,4}	1,514	1,323	1,258	1,235
CO ₂ emissions (scope 3) ('000 tonnes) ^{3,4}	450	431	436	496
Electricity (MWh) ²	1,400,422	1,322,353	1,338,074	1,382,105
Diesel (TJ) ²	6,608	6,930	6,066	5,509
Carbon emission intensity (tonnes CO ₂ -eq/oz)	0.69	0.59	0.55	0.61
NO _x , SO _x and other emissions (tonnes)	21,450	21,073	20,084	17,942
Cyanide consumption (tonnes)	7,061	7,820	10,660	13,660
Mining waste ('000 tonnes)	187,036	167,357	138,522	190,007
Materials ('000 tonnes)	162	145	144	176

¹ Levels 1 and 2 involve minor incidents or non-conformances, with negligible or short-term limited impact. A Level 3 incident implies limited non-conformance or non-compliance that results in ongoing but limited environmental impact. Level 4 and 5 incidents include major non-conformances or non-compliances, which could result in long-term environmental harm, with operation-threatening implications

² The numbers disclosed only include our operations, as regional and the corporate head offices are not considered to be material

³ The CO₂ emissions numbers include head offices.

⁴ Scope 1 emissions are those arising directly from sources managed by the Company. Scope 2 emissions are indirect emissions generated in the production of electricity used by the Company. Scope 3 emissions arise as a consequence of the activities of the Company.

Biodiversity

Our Biodiversity Conservation Practice Guide provides guidance on the integration of biodiversity conservation into all aspects of mine life, from pre-feasibility to closure. We subscribe to the ICMM Position Statement on Mining and Protected

Areas, which includes a commitment to respect protected areas and an undertaking not to explore or mine on World Heritage properties. For example, we implement a total ban on hunting on our land holdings at our mines in Ghana and have strict controls to protect local water

bodies. Because of this, our operations enjoy high levels of biodiversity compared to their surrounds. Our activities in relation to protection of the Short-tailed Chinchilla in Chile are described on p72.

Licence to Operate – Strategic Focus Areas

WATER

Gold Fields remains committed to responsible water stewardship – both for the benefit of host communities and for our own operations. This means delivering enhanced operational security through innovative technologies with optimal water conservation and demand management practices.

This involves:

- » Measuring and reporting on water management performance
- » Integrating water management into mine planning
- » Complying with regulatory requirements and, where feasible, going beyond compliance requirements
- » Leaving an enduring, positive legacy that extends beyond mine closure

Each operation implements an Environmental Management System (EMS), through which it assesses, manages, monitors and reports on water use and the quality of any discharges. During 2016, Gold Fields spent a total of US\$16m on water management and projects. Water withdrawal across the Group decreased to 30,321Mℓ (2015: 35,247Mℓ), and, amid stable Group gold production, water withdrawal per ounce produced was down from 15.77kℓ in 2015 to 13.67kℓ in 2016. Total water recycled or reused remained steady at 44,274Mℓ (2015: 43,120Mℓ).

The main reasons for the change in water withdrawal were:

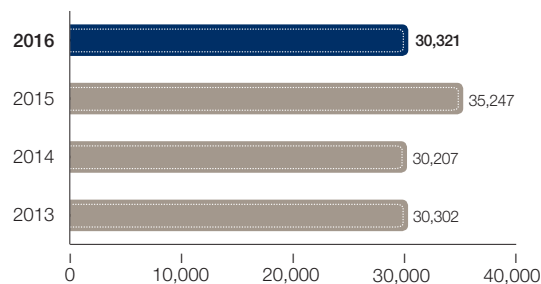
- » A change in the internal definition of water withdrawal to align with the Mineral Council of Australia's water accounting framework
- » Significantly reduced water withdrawal at Cerra Corona, largely due to drought conditions
- » During 2015 St Ives had high water withdrawals from opening up three new pits. This was not repeated in 2016
- » Increased water withdrawal at South Deep due to the refilling of South Deep's water storage dams and increased production demand

We also benchmark our water usage by participating in the CDP water disclosure programme. During 2016, Gold Fields achieved an A- for its 2015 CDP water assessment, which is an improvement from the previous year's score of B. The CDP's water score is an indicator of a Company's commitment to transparency around its water risks, and the sufficiency of its response to them.

As a member of the International Council on Mining and Metals (ICMM), Gold Fields subscribes to the ICMM's new commitments on water stewardship, which were released in January 2017. The ICMM's position statement is binding on all members within two years and requires them to apply strong and transparent water governance; manage water at operations effectively; and collaborate to achieve responsible and sustainable water use.

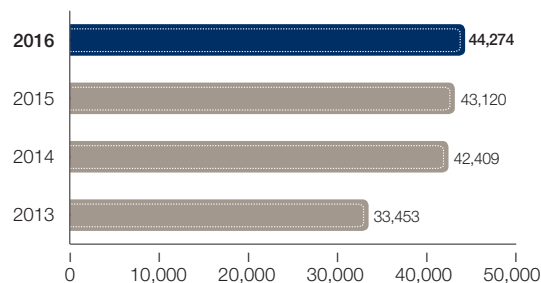
Group water withdrawal

(Mℓ)



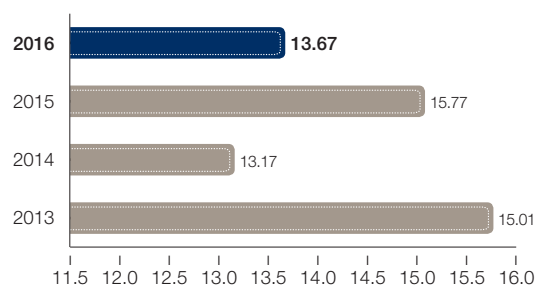
Group water recycled/reused

(Mℓ)



Group water withdrawal per ounce of gold produced

(kℓ/oz)



In the Regions

During 2016, predictive and dynamic water balances were developed at all operations, except Damang, using hydrology software systems. Damang will install their systems during 2017. This enables the mines to account for the water inputs to and outputs from their operations and for the flows within the system. Post closure water management plans were also put into place or are currently being developed at the mines as part of their mine closure plans.

Americas

Water Balance

Water is a critical issue for communities in Peru and a large part of the active resistance by communities to mining is over perceived or actual water pollution by mines. Cerro Corona has proactive engagements with community organisations and local governments in terms of which it is a large supplier of potable water to the communities. During 2016 Cerro Corona invested over US\$3m in developing and upgrading water systems for nearby communities. (Details of these initiatives can be found on p106.)

Updates to Cerro Corona's geochemical and hydrogeological models will be completed during 2017 and will serve as input to the mine's post-closure water management plan.

Salares Norte

Water rights at this project were granted by the regulator in December 2016. The water rights total 114ℓ/second from nearby underground boreholes with sufficient supplies – the granting of the rights is a critical step in developing the project, which is situated in the Atacama Desert in northern Chile.

Australia

Water Balance

Water balances with links to appropriate water management plans have been developed for all four mines in the portfolio. Granny Smith's water balance is the most advanced, being both dynamic and predictive, and the lessons learnt have been applied to the other operations' water balances.

Post-closure water management is integrated into each mine's closure plans. St Ives has progressed furthest, having submitted its closure plan to the regulator at the end of 2016. Agnew and Darlot are on track to submit in 2017 and Granny Smith in 2018.

Water Security

Water security poses a significant challenge for the region's mines – all of which are based in arid areas of Western Australia. St Ives and Granny Smith have water agreements with outside providers. St Ives' water agreement was renewed early in 2015. Granny Smith's agreement with a neighbouring company for the provision of potable water was revised and signed off in late 2016.

At Agnew, a hydrological study on the Fairyland borefield suggests that the facility can be expanded to provide more water than the current design allows. This will supplement the existing water supply at the mine.

Darlot, which Gold Fields announced it would put up for sale in February 2017, is in the process of entering into an agreement with the nearby Murrin Murrin mine. Murrin Murrin is sourcing water from the same aquifer as Darlot, but will now be provided with supplementary water from their nearby Grey Mare borefield. This supplementary water supply will allow supply from the Darlot borefield to be reduced and the aquifer to be recharged.

South Africa

Water Balance

New water balance software was implemented at South Deep with links to appropriate water management plans. Extension of the system to underground operations is being considered for 2017. During 2016 South Deep completed Phase 1 of its post-closure water management plan, which assessed risks for mines that are hydraulically connected to South Deep, including Sibanye Gold's adjacent Ezulwini mine, which has applied to the regulator for closure permission. Phase 2 of the plan will be initiated in 2017 and will consider any potential legacy groundwater contamination.

Recycling and Conservation

During 2016, South Africa found itself in a drought cycle that was one of the worst in 40 years, though good rains have fallen in early 2017. The implementation of water recycling and conservation practices is therefore critical at South Deep. Water awareness initiatives were introduced to encourage a reduction in water consumption. In addition, no water is discharged from the mine, other than treated sewage effluent, as required by the Department of Water and Sanitation.

The drought meant that the three reverse osmosis (RO) plants that were installed at South Deep over the past two years to treat process water and reduce the intake of municipal water could not be operated for much of the year. Currently, only one of the three RO plants is operational. Three RO plants have been installed underground to supply drinking water.

Water Security

Due to the current drought conditions, as well as an increase in water use at South Deep, the mine experienced water supply shortages during 2015/2016. South Deep submitted an application to amend

Licence to Operate – Strategic Focus Areas (continued)

its 2011 Water Use Licence (WUL) in May 2015, which is still being reviewed by the Department of Water and Sanitation (DWS). In 2015 South Deep concluded a water supply agreement with Sibanye Gold to supply water from Sibanye's Ezulwini mine, via the Leeuspruit stream. The plan to secure water to support South Deep during production ramp-up could also be negatively impacted by Sibanye's announcement on 31 August 2016 that it will be closing the Ezulwini (Cooke 4 Shaft) mine. South Deep is currently assessing the implications of the closure if such application were granted.

Furthermore, a Sibanye Gold and Gold Fields joint working group was established early in 2016 to identify and remedy potential contamination of the Leeuspruit river caused by decades of mining in the area.

Acid Rock Drainage

South Deep implements a range of measures to prevent or contain Acid Rock Drainage (ARD) and there were no material cases of ARD reported in 2016. Proactive measures include:

- » Ongoing water monitoring
- » Containment of any ARD generation on the old tailings facilities
- » Water-treatment solutions that purify surplus fissure and process water to a potable standard
- » Removal of the old South Shaft waste rock dump
- » Revegetation of the mine's environmental footprint

Underground ARD generation is well managed during the operational phase through ongoing pumping of underground water to surface water treatment facilities.

Other key water management initiatives undertaken at South Deep during 2016 include:

- » Studying plume mitigation measures at the Doornpoort TSF and the old TSFs with implementation scheduled for 2017
- » Maintaining vegetation of the mine's two historic TSFs, which has reduced the generation of wind-blown dust to well below the legislated airborne dust level limits

West Africa

Water Balance

Tarkwa's water balance is being reviewed following the closure of the heap leach operations. We do not expect any major issues of water management at closure.

Tarkwa achieved a 11% reduction in water discharged due to higher levels of water recycling and reuse and the improved water quality (as a result of rain-fed rinsing) discharged from the South heap leach facility. No water was discharged from Damang in 2016 in terms of our revised definition.

Water Treatment and Monitoring

Tarkwa's North and South heap leach facilities were closed in 2014. A decommissioning plan was submitted to Ghana's Environmental Protection Agency (EPA) and their comments have been addressed which included some test work. A final plan has been submitted and is awaiting approval. Meanwhile, interventions, such as slope stabilisation by planting cover grass to reduce wash outs, have been completed at the North heap leach.

Similar interventions will be initiated in other areas until the decommissioning plan is approved by the EPA for full implementation.

Water recycled on the South heap leach pads is now being discharged directly to the environment after test results showed that the water quality met the effluent quality guidelines. Excess water from the North heap leach is being treated at the refurbished North Reverse-Osmosis (RO) plant before being discharged and a clarifier is being installed at the North heaps to increase the volume of water to feed the treatment plant.

The operation of the RO plant, which was established at the behest of the EPA, produces concentrated brine, which is being temporarily stored on site in a dedicated pond. Tarkwa has been investigating a number of options to achieve the permanent elimination of brine and employed two consulting firms to carry out pilot test work on the treatment of brine through biological, passive, or any other acceptable treatment option. Trials of these treatment methods will commence in Q1 2017. Tarkwa has also been examining brine treatment through plant absorption on a 20-hectare test plot of rubber trees at the North and South heap leach pads. Irrigation of the plantation at the South heap leach helped in improving the quality, making room for discharge without treatment. Irrigation at the North heap leach, where brine concentrations are higher, is continuing and is being monitored to determine the success of the initiative.

WASTE AND TAILINGS

Operational Waste

The most significant waste materials produced by Gold Fields' operations are tailings, waste rock, chemical waste and hydrocarbon waste. All Gold Fields' operations, except St Ives and Cerro Corona, which does not use cyanide, have International Cyanide Management Code (ICMC) certifications, which are renewable every three years. The St Ives mine is currently in the process of re-certification following an initial negative finding by the International Cyanide Management Institute.

All Gold Fields' operations have tailings management plans in place, including closure and post-closure management plans. In total, these operations have 27 tailing storage facilities (TSFs) of which 16 are active. All TSFs, as well as associated pipeline and pumping infrastructure, are subject to a Group audit every three years – or more frequently where required by local circumstances or regulations – as well as regular inspection and formal annual reporting. Gold Fields' last Group-wide TSF audit was conducted in 2014, the next one will take place during 2017, once an internal review of our facilities has been completed.

Gold Fields has set a target to maintain the general landfill waste quantity at 2015 levels, by ensuring a reduction in the waste that reaches the landfill through greater use of recycling and on-site waste separation.

ICMM Tailings Review

In response to high-profile tailings failures at Mount Polley (Canada, August 2014) and Samarco (Brazil, November 2015), the International Council on Mining and Metals (ICMM), of which Gold Fields is a member, announced in December 2015 its intention to implement a global review of tailings storage facility standards and critical controls across member companies. The resultant working group is chaired by Gold Fields. A position statement, comprising a commitment to implement a new ICMM governance framework was released in December 2016.

Gold Fields supports the position of the ICMM and the Group has committed to review its tailings management guidelines in early 2017 to ensure compliance with the new framework. Internal and external Group-wide tailings audits will be conducted during 2017 to ensure Gold Fields meets the ICMM's new framework as well as having critical controls in place to manage potential risks.

In the Regions

In 2016, the Group took the following steps towards managing waste in a safe and responsible manner:

Americas

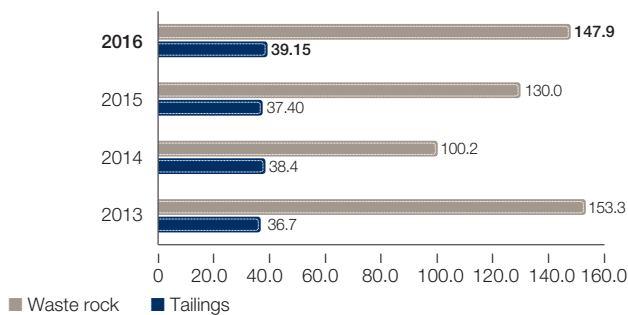
During 2016, the Cerro Corona TSF was raised by 5m to 3,776m above sea level. To achieve this the mine had to relocate the spring for the nearby Las Tomas river from 3,771m to 3,800m above sea level. After receiving the required legal permits and reaching agreement with the Manuel Vazquez Association (MVA), a community organisation, the spring was relocated during 2016. In line with its LoM plan, Cerro Corona is planning to raise the TSF further from its current 3,776m to 3,800m over the next two years. The mine has regulatory approval to raise the TSF to that height and is engaging with the MVA to implement the provisions of the previously executed agreement.

Australia

At Agnew, we installed monitoring bores and conducted a hydrological review of the area in Q3 2016. These projects were implemented in anticipation of using the Songvang pit for tailings disposal.

Group mining waste

(Million tonnes)



Licence to Operate – Strategic Focus Areas (continued)

We also began preparing for the rehabilitation of the old TSF that serviced the Lawlers' processing plant. The plan was approved by the regulators, and rehabilitation of the facility by a contractor will commence mid-2017 when climatic conditions are favourable.

At Granny Smith, we continued to experience groundwater leakage around the tailings storage facility as a result of waste seepage. To address this, Gold Fields installed additional bores to recover water. The bores have the added advantage of providing an important source of water for the processing plant.

At the St Ives mine, the Leviathan in-pit tailings facility started receiving tailings depositions after final regulatory approval was granted in 2015. The facility is set to save the mine around A\$50m (US\$38m) in TSF construction and closure liabilities over LoM.

During the year, the Far Southeast joint venture in the Philippines engaged independent experts to undertake a technical audit of the TD5A tailings storage facility, which is owned by Lepanto Mining, our JV partner. The audit report concluded that the facility was well managed and laid out further recommendations for enhancements, which are being implemented.

South Africa

At South Deep, an integrated waste management plan was initiated, which is designed to compile a waste inventory, develop a management strategy and propose viable recycling initiatives for various waste streams. The plan will be fully

implemented during 2017. As part of this plan the waste transfer station at South Deep will be upgraded to incorporate a general waste recycling initiative that generates employment for community members.

Reprocessing of tailings from the two old TSFs at South Deep continued for use in the backfill plant, though this was slowed down amid the water shortages experienced in South Africa during 2016.

West Africa

As part of the ongoing production and long-term growth at Tarkwa and Damang new TSF capacity is required. The regional management has been working on a multi-pronged approach for a number of TSFs. Progress at the Tarkwa TSFs during 2016 was as follows:

- » TSF 2: The wall raise was completed during 2016 and the Minerals Commission has given approval for the deposition of tailings
- » TSF 3: The National Tailings Dam Committee reviewed the wall raise design document and work commenced after approval from the Minerals Commission. The mine is awaiting review comments from the EPA
- » TSF 5: Basin preparation for this new TSF has been completed and lining has started with general work set to be completed by mid-2017. Written approval for the work was received from the Minerals Commission and payment of permit fees was made to the EPA

The EPA is currently reviewing Tarkwa's final plan for the decommissioning and reclamation

of the mine's heap leach facilities. In the meantime the mine has planted cover grass on the facilities to reduce wash outs.

The reinvestment plan at Damang has necessitated accelerating the construction of the Far East Tailings Storage Facility (FETSF) as the existing East Tailings Storage Facility (ETSF) is approaching full capacity. An interim 2.5m raise was started at the ETSF during 2016 and should be completed during Q1 2017, providing for an additional 3.6Mt tailings capacity. Stage 1 of the FETSF is planned for completion by end-2017 and will provide 20Mt capacity. Further future lifts of the FETSF will cater for all tailings for the new eight year life-of-mine at Damang.

Waste Rock

Total waste volumes for the Group increased by 14% to 148m tonnes during 2016.

During 2016, two major projects to enhance the waste management at Cerro Corona were completed: the expansion of the waste rock storage facility and the redesign and relocation of a topsoil stockpile to allow for optimised usage. South Deep completed the removal of the old South Shaft waste rock dump in 2016.

Group-wide waste rock volumes are set to rise in 2017 as the Damang mine in Ghana commences its reinvestment plan with major cutbacks at the Damang Pit, which involves 265m of pre-strip to a total depth of 341m to access the base of the existing pit.

MINE CLOSURE

Sustainable and integrated mine closure remains one of Gold Fields' five key sustainability focus areas. In 2016, we continued to increase our efforts aimed at improving mine closure planning, management and financial provisioning processes. This was necessitated by changing legal requirements in South Africa and Australia, updated business plans as well as growing societal expectations.

Gold Fields' 2013 Group Mine Closure Guideline was reviewed in 2016, with the aim of commencing the roll out of the revised guideline from 2017. This review was largely necessitated by the need to move towards more integrated mine closure planning and processes. Key changes to the guideline include:

- » Care and maintenance planning
- » Broadening closure planning aspects to include long-term business planning and community socio-economic requirements, in addition to the environmental aspects
- » Aligning closure risks with Group risk processes and mitigation plans

Our 2020 objective is to implement fully integrated mine closure management that in the long term will reduce the Group's closure liabilities.

Mine Closure Liabilities

The total gross mine closure liability for Gold Fields has increased by 8% from US\$353m in 2015 to US\$381m in 2016. This can be mostly attributed to:

- » A significant increase in the net area disturbed at the Damang mine in Ghana in line with the reinvestment plan
- » An increase of over a third for the waste storage and TSF areas at Cerro Corona in Peru to support assessment of expansion opportunities
- » A change in how the TSF plume pumping costs are calculated and uploaded survey data compiled at the South Deep mine

The funding methods used in each region to make provision for the mine closure cost estimates are:

- » Ghana – reclamation bonds underwritten by banks along with restricted cash
- » South Africa – contributions into environmental trust funds and guarantees
- » Australia – existing cash resources¹
- » Peru – bank guarantees

Region	% of Group 2016	Total (US\$) 2016	Total (US\$) 2015	% Secured 2016
Australia	48%	181,822,430	186,007,171	0% ¹
South Africa	10%	37,071,145	28,959,039	100%
West Africa	27%	105,271,633	91,519,303	77%
Americas	15%	56,593,886	46,663,873	56%
Group Total (US\$)	100%	380,759,094	353,149,387	40%

¹ Due to legislative changes introduced in Western Australia that came into effect in July 2014, there is no longer a legal obligation to have unconditional performance bonds in place for mine closure liabilities. Such liabilities for continuing operations are now self-funding. In addition, companies are now required to pay a levy to the state based on the total mine closure liability. This levy is 1% of the total liability per mine, paid annually. This levy goes into a state administered fund known as the Mine Rehabilitation Fund. Capital and interest from the fund will be used to rehabilitate legacy sites or sites that have prematurely closed or been abandoned.



Processing plant at Granny Smith, Australia

Licence to Operate – Strategic Focus Areas (continued)

GOVERNMENT RELATIONS

As the issuers of mining licences, developers of policy and implementers of regulations, host governments are among Gold Fields' most important stakeholders.

The Gold Fields Group has appropriate controls and procedures in place to ensure that we comply with relevant tax legislation in all the jurisdictions in which we operate. This includes compliance with Transfer Pricing (TP) legislation and associated TP documentation requirements, which is governed by our Group TP Policy. The Gold Fields Group does not embark on intragroup gold sales and only sells its gold (or gold-equivalent product) directly to independent third parties at arm's-length prices.

Base erosion and profit shifting refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to no or low-tax locations. Gold Fields does not artificially shift profits to these locations.

Gold Fields does not provide financial contributions to political parties and lobby groups unless explicitly approved by the Gold Fields Board of Directors in accordance with the Company's Code of Conduct. No political donations were made in 2016.

During 2016, national elections were held in three of the countries in which we operate: Australia, Ghana and Peru. In Ghana and Peru new political parties came to power and formed the national government. We are committed to working with the new governments, as we were with the outgoing ones, in establishing sound and transparent working relationships that benefit the countries and impacted communities.

Ghana

In March 2016, Gold Fields Ghana entered into a Development Agreement (DA) with the Government of Ghana for both the Tarkwa and

Damang mines. The agreement was ratified by the country's Parliament on 17 March 2016.

The highlights of the agreement include:

- » A reduction in the corporate tax rate from 35.0% to 32.5%, effective 17 March 2016
- » A change in the royalty rate from a flat 5% of revenue to a sliding scale royalty based on the gold price (as per table below), with effect from 1 January 2017

Royalty rate	Gold price
3.0%	US\$0 – 1,299.99/oz
3.5%	US\$1,300 – 1,449.99/oz
4.0%	US\$1,450 – 2,299.99/oz
5.0%	US\$2,300/oz – unlimited

- » The terms of the DA, effective from 17 March 2016, will be for a period of 11 years for Tarkwa and nine years for Damang, each renewable for an additional five years
- » Tarkwa and Damang commit to total spending of US\$500m each for the period of the agreement. The DA could be extended by a further five years each should additional investments of US\$300m be made
- » Funding the construction of the 29km road between Tarkwa and Damang by Gold Fields at an estimated cost of US\$17m

As a result of the DA, Gold Fields Ghana committed to a US\$341m capital reinvestment in Damang, which will be supported by a further US\$1,060m in operational spending over the new eight-year LoM. This investment has significant socio-economic benefits for communities around Damang. (See p70). The DA will also lead to significant cost and cash-flow benefits for the Tarkwa mine, enabling it to invest in future expansion when required.

Ghana is a key region for Gold Fields and the DA cements our status as one of the largest contributors to the country's fiscus. In 2016, Gold Fields paid over US\$86m in direct taxes,

royalties and dividends to the Government of Ghana. This makes Gold Fields Ghana the highest taxpayer in Ghana in 2016, as confirmed by the Ghana Revenue Authority.

Australia

In 2016, Gold Fields joined with its peers in Western Australia to form the Gold Industry Group to continue highlighting the industry's contribution to the Western Australian economy and job creation. This follows on the successful co-operation by miners to campaign against a review of the royalties charged on mining in 2015. Gold Fields plays a prominent role in the leadership of the industry group.

Peru

Our engagement with government in Peru is largely focused at local and regional government level as the Province of Cajamarca, which is home to our Cerro Corona mine, experiences regular community protests against mining. This requires extensive engagement with the local Government of Hualgayoc and the Provincial Government.

National elections took place during 2016, with the vote returning a business-friendly government to power. We are engaging with the government through the local chamber.

South Africa

From a regulatory perspective, Gold Fields' operation in South Africa is guided primarily by the Mineral and Petroleum Resources Development Act (MPRDA) of 2002. In 2013, critical amendments to the MPRDA, such as developmental pricing for certain metals, were tabled by the government in the MPRDA Amendment Bill, but the bill was sent back to Parliament by the country's presidency for further consideration in January 2017. Amid differing policy priorities by various government departments and jurisdictions, the bill has still not been ratified.

One of the key requirements of the MPRDA is to facilitate meaningful and substantial participation of Historically Disadvantaged South Africans (HDSAs) in the mining industry. To provide guidance on this open-ended requirement, the Mining Charter, as revised in 2010, was published by the Department of Mineral Resources (DMR), providing for a range of empowerment actions and a corollary time frame. In terms of the Mining Charter, all mining rights holders are required to submit an annual compliance assessment to the DMR on progress made against meeting the annual targets in the Charter. Gold Fields continues to comply with this process.

Government had indicated that the Mining Charter would be reviewed

during 2016 but a number of important aspects of the draft Charter, released in February 2016, remain disputed by the mining industry, key of which is the Black Economic Empowerment (BEE) ownership element of mining companies and the evaluation of previous BEE transactions carried out by the industry.

The Chamber of Mines, representing the vast majority of mining companies in South Africa, applied to the High Court of South Africa for a declaratory order to clarify the binding nature of the Mining Charter and the status of previous deals. Subsequently, the hearings were postponed indefinitely. Consultations between the mining industry and the DMR in relation to the draft Mining

Charter were initiated during the latter part of 2016 and are ongoing.

Throughout 2015 and early 2016 the Chamber engaged with government directly on the long-term sustainability of the industry and a number of other issues confronting the sector. A tripartite forum, called Project Phakisa – comprising industry, government and organised labour – was established followed by extensive engagement programmes to map out future growth and empowerment of the South African mining industry. However, as at March 2017, no meaningful government strategies or policies had yet emanated from this engagement process.



Excavator at the Cerro Corona mine in Peru

Licence to Operate – Strategic Focus Areas (continued)

MINING CHARTER SCORECARD

All mining rights holders in South Africa (including South Deep as the mining rights holder) are required to submit an annual compliance assessment to the DMR on progress made against meeting the annual targets in the Mining Charter.

Gold Fields has updated its Mining Charter performance and compliance in line with an online scorecard created by the DMR in early 2015. The 2016 scorecard is shown alongside.

Gold Fields' BEE ownership transactions are detailed on our website at www.goldfields.com>investors in our 2013 annual reports.

Element	Description
» Reporting	Report on the level of compliance with the Revised Charter for the calendar year
» Ownership	Minimum target for effective HDSA ownership
» Housing and living conditions	Conversion and upgrading hostels to attain the occupancy rate of one person per room Conversion and upgrading hostels into family units
» Procurement and enterprise development	Procurement spent on BEE entity Multi-national suppliers' contribution to the social fund
» Employment equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness
» Human resources development	Developing requisite skills, including support for South Africa-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology, mining, beneficiation as well as environmental conservation
» Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis
» Sustainable development and growth	» Improvement in the industry's environmental management » Improvement of the industry's mine health and safety performance » Utilisation of South Africa-based research facilities for analysis of samples across the mining value
» Beneficiation	Contribution towards beneficiation

How we measure up	Mining Charter compliance target by 2016	Progress against 2016 Mining Charter targets
Documentary proof of receipt from the DMR	Annually	South Deep annual submission
Meaningful economic participation	26%	35%
Percentage reduction of occupancy rate towards 2014 target	Occupancy rate of one person per room	0.93 person per room ratio
Percentage conversion of hostels into family units	Family units established	100%
Capital goods	40%	89%
Services	70%	81%
Consumable goods	50%	83%
Annual spend on procurement from multi-national suppliers	0.5% of procurement value	0.77%
Top management (Board)	40%	50%
Senior management ¹	40%	60%
Middle management	40%	60%
Junior management	40%	54%
Core and critical skills ²	40%	71%
Human resources development expenditure as a percentage of total annual payroll (excluding mandatory skills development levy.)	5%	9.65% (R180.6m)
Implement approved community projects	Up-to-date project implementation	83% project implementation (not assured). R55.6m was spend on socio-economic development (SED) (including Community Trusts). 20.32% of the SED spend (R11.3m), was spent on implementation of community projects, approved in the SLP.
» Implementation of approved environmental management programmes (EMPs)	100%	100% An EMP performance assessment was undertaken in Q1 2016. The assessment was conducted by ECO Partners consulting in terms of Regulation 55 of the MPRDA. The results of the assessment were submitted to the DMR in 04/2016. South Deep is also ISO 14001 certified, which assists in tracking the implementation of the EMP commitments. In addition, the mine commissions annual reviews of the mine closure cost estimates, using independent experts.
» Implementation of tripartite action plan on health and safety	100%	86%
» Percentage of samples in South African facilities	100%	100%
Added production volume contribution to local value addition beyond the baseline	Section 26 of MPRDA (% of above baseline)	Current regulations and guidelines are not clear in relation to the baseline levels and targets. However, Gold Fields has made a capital intensive investment in our smelting facility at South Deep, which adds significant value to the gold being mined as well as creating jobs. Gold Fields also owns 2.76% of Rand Refinery, which has established the 'Gold Zone'. The aim is for the Gold Zone to become a major hub for precious metals fabrication in South Africa for global export, while at the same time assisting local communities with skills development (including beneficiation).

¹ Includes members of the SA Regional Executive Committee and the South Deep mine Executive Committee

² Core skills include A, B and C graded employees in the miner and artisan categories as well as officials with core skills for mining and/or working in a core mining area(s)

Community Relations and Creating Shared Value

SOCIAL LICENCE TO OPERATE

Recognising the importance of solid community relations to our social licence to operate, Gold Fields is committed to minimising, managing or avoiding, where possible, the negative impacts of its operations on communities, while also maximising the positive benefits. Through active stakeholder engagement and our Shared Value development approach, our focus goes beyond just spending to the positive social and business impacts that its social investments can deliver.

Gold Fields' community relations approach is informed by an understanding of our operating contexts, garnered through ongoing risk assessments and stakeholder engagements. In 2016, plans to address material social risks were developed and implemented in each region. These risks were often linked to the local and national elections, which were held in all our operating regions. Our operations were sensitised to this challenge through their community relations risk assessments undertaken in 2015 and 2016.

Building Relationships

Gold Fields actively identifies and regularly engages with the representatives of the following groups in a formal and informal manner:

- » Central, regional and local government and their agencies
- » Community-based organisations
- » Traditional authorities
- » NGOs
- » Civil society
- » Organised labour
- » Business

Summaries of the engagements held by each region in 2016 are available at www.goldfields.com>investors

In 2016, all operations prepared community relations and stakeholder engagement (SE) strategies and three-year plans focused on maintaining the social licence to operate. These were informed by the Gold Fields' community relations and SE guidelines, which together

with our community policy and charter can be found at www.goldfields.com>sustainability.

All operations have established mechanisms through which communities can share their grievances about Gold Fields, its actions or the behaviour of its employees on social, environmental and human rights issues. During 2016, the regions dealt with 92 economic, social, human rights and environmental grievances by their communities, of which 82 were resolved and ten are still being dealt with. Operations in Peru, South Africa and West Africa also regularly publish and distribute communication materials to stakeholders, keeping them informed about our community relations activities and initiatives.

Subsequent to community relationship assessments in Peru, South Africa and West Africa between 2014 and 2015, action plans were implemented during 2015 and 2016 to address any gaps and further strengthen community relations. These plans are currently being rolled out in our communities. A second round of assessments commenced in late 2016 in all our regions. The International Council on Mining and Metals' (ICMM) "Understanding company-community relationship toolkit" is being piloted for these assessments at our South African and Ghanaian mines.

Social Investment

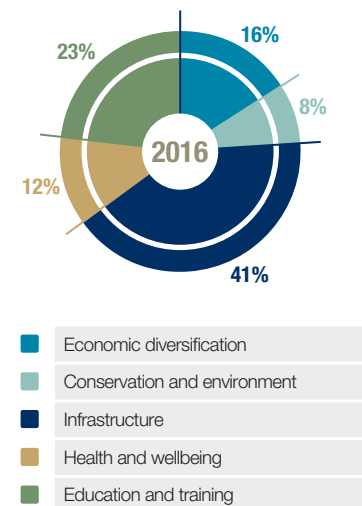
As not all of the value created through royalties and taxes at national level benefits host communities, Gold Fields focuses on socio-economic development (SED) initiatives and Shared Value projects to create and share value at community levels. These sustainable development projects create positive socio-economic impacts for host communities by targeting their priority needs of employment, skills and enterprise development, environmental rehabilitation and access to water. Programmes and projects are delivered directly or through our trusts and foundations, often in partnership with government, NGOs and, in South Africa, through an alliance with our peer, Sibanye Gold.

Gold Fields' spending on SED and Shared Value programmes – US\$16m in 2016 (2015: US\$14m) – reflects the Group's direct social investments spend in host communities. The investments – which are detailed for each region on p102 – 107 are made in the following areas:

- » Conservation and environment
- » Infrastructure
- » Education and training
- » Health and wellbeing
- » Economic diversification

A significant proportion of the salaries and wages paid to employees also finds their way back into our host communities.

SED contributions by type 2016 – total: US\$16m¹



¹ This includes spending from the South Deep trusts and by our projects

Shared Value Programmes

Shared Value is created when companies take a proactive role in simultaneously addressing business and social needs. Shared Value goes beyond mitigating the potential harm in a company's value chain – it is about identifying new opportunities for economic success by incorporating social priorities into business strategy and working collaboratively with multiple stakeholders to find solutions to various socio-economic and environmental issues. A key component of this approach is to ensure that the value created is shared by the business and the community.

Our Shared Value approach is based on four key pillars:

1. Strategic interventions, to proactively address socio-economic challenges that can drive community tensions, NGOs activism or more restrictive regulations
2. Integration to proactively address socio-economic challenges
3. Participation in collaborative action with other stakeholders
4. Transparency regarding Gold Fields' economic contributions to its host societies in line with World Gold Council guidelines

Gold Fields' regions currently have six Shared Value projects either already running or at implementation stage – which are profiled in the infographics on p102 – 107.

Host Community Employment

Gold Fields aims, where feasible, to employ host community members at our operations. This enables alignment between the interests of host communities and our mines, expanding of local value generation and growth of local available skills. As our ability to recruit such workers may be limited due to the available skills in host communities, it is committed to local education and skills development.

Our Shared Value objective for 2016 was the development of three-year local procurement and employment plans for Peru, South Africa and West Africa.

The number of host community members – including both employees and contractors –

working at each of Gold Fields' regions is set out on the table below. In 2016, all operation set targets for host community employment and these were met or exceeded, except

at South Deep where the definition of 'host communities' was adjusted from residential address to place of origin – this was in line with the definitions required under the mine's Social and Labour Plan.

Host Community Employment

Region	% Host community workforce ¹ employed from total workforce		
	2016	2015	2014
Peru	23%	29%	24%
Ghana	72%	67%	66%
Australia ²	95%	90%	94%
South Deep ³	13%	14%	12%
Group ³	48%	47%	47%

¹ Workforce includes the total number of employees and contractors

² For our Australian operations, Western Australia is classified as a host community due to the extremely remote nature of this region and the fact that many employees fly into the operations from Perth. Hence the high host community employment percentages relative to the other regions

³ Change in definition of workforce applied at South Deep in 2016. 2015 and 2014 figures restated accordingly

Host Community Procurement

Where possible, Gold Fields seeks to procure goods and services from the countries in which we operate, and, where feasible, its host communities. This contributes to enhancing the national and local supplier base, which is especially important because of some mines' remote locations, and creating local employment.

Of total 2016 procurement spend, US\$1.36bn or 83% was spent on businesses based in countries where Gold Fields has operations (2015: US\$1.27bn/76%). Within this figure, US\$558m, or 41%, was spent on suppliers and contractors from the mines' host communities (2015: US\$514m/40%).

Building on the work done in 2016, the operations are working towards meeting their host community employment targets developed as part of the three-year host procurement and employment plans.

South Deep's host community procurement project exceeded its target of R330m in 2016. The project's vision is to have 25% of total procurement spend, or R500m (whichever is greater), redirected to the host community in 2018 and 500 new jobs created by 2020. The actual total procurement spend for 2016 was R2.6bn (2015: R2.0bn) and host community procurement spend was R356m (2015: R192m), 14% (2015: 10%) of total spend and 85% improvement on 2015. The number of host community suppliers to South Deep increased to 83 (2015: 76) during 2016.

Local and host community procurement

Region	Local (in country) procurement				Host community procurement			
	2016	2015	2014	2013 ¹	2016	2015	2014	2013 ¹
Peru	89%	87%	88%	91%	8%	7%	5%	6%
Ghana	79%	64%	72%	68%	7%	9%	6%	6%
Australia	99%	97%	99%	99%	71%	66%	69%	72%
South Deep	100%	100%	100%	100%	14%	10%	9%	4%
Group	92%	85%	91%	86%	38%	35%	39%	31%

¹ Excludes Yilgarn assets.

Community Relations and Creating Shared Value (continued)

In 2017, we plan to pilot a social and economic impact assessment and evaluation of our social investments at South Deep and develop an approach that will be rolled out to the other regions.

Our performance for 2016 in relation to Gold Fields' Society and Community Charter for our mines in Peru, Ghana and South Africa is outlined in the infographics on p102 – 107.

Community Stakeholder Relations in Australia

The remote location of our mines in Australia – as well as strong local socio-economic conditions – mean that stakeholder engagement, which is driven by a current stakeholder engagement plan, is largely focused on local indigenous groups. This includes engagement around native titles on Gold Fields' licence areas, land access for near-mine drilling and the preservation of indigenous heritage.

Total SED spend by the Australia region was A\$453,000 (US\$340,000)

in 2016 compared with A\$444,000 (US\$320,000) in 2015, the majority of it dedicated to health and wellbeing (40%) and skills development (39%). Of the SED spend the Gold Fields Australia Foundation is responsible for investments in community projects. During 2016, the foundation invested A\$189,000 (US\$142,000) in a number of initiatives to support indigenous groups, including bursaries to children from these communities and developing a database to detect rare diseases among community members. A third project seeks to improve eye care in remote communities. During 2015 the Foundation invested A\$63,000 (US\$45,000).

We are committed to working to obtain the consent of indigenous peoples for new projects (and changes to existing projects) – where they are located on lands traditionally owned by or under customary use of indigenous peoples – and that are likely to have significant adverse impacts on indigenous peoples.

Tenements at Gold Fields' newly acquired Gruyere project are subject to the native title rights of the local indigenous population. Gold Road Resources, with whom Gold Fields entered into the Gruyere JV, concluded a native title agreement with the registered claim group, the Yilka, in early 2016. This agreement has been assigned to Gold Fields. We are also engaging with other indigenous groups at the project.

A long running legal dispute around a native title claim made by the Ngadju People for the recognition of their Native Title rights over a large parcel of land, including tenements held by St Ives, concluded during 2016 in St Ives' favour. The mine continues to engage with the Ngadju in relation to heritage surveys and other matters. Details of the legal case are in the Directors' Report in the Annual Financial Report.

No formal complaints were received through the grievance mechanisms during 2016.



St Ives mine in Western Australia

Human Rights

Gold Fields applies a formal human rights policy statement, both in dealing with its communities as well as its employees. The policy statement is aligned to the relevant ICMM Principles on Human Rights and the United Nations' Protect, Respect and Remedy Framework.

Under the policy statement, Gold Fields commits to:

- » Not interfering with or curtailing others' enjoyment of human rights
- » Defending (where possible) employees and third-party individuals and groups (as defined in our community policy) against human rights abuses
- » Taking positive action to facilitate the entrenchment and enjoyment of human rights

Given the nature of Gold Fields' footprint, activities and relationships, the human rights policy places specific emphasis on:

- » Community engagement
- » Indigenous rights
- » Resettlement
- » Security and human rights

Internally, we uphold the highest standards of human rights within our workforce, including freedom from child labour, compulsory labour and discrimination as well as the right to collective bargaining.

We carry out human rights due diligence on our own activities. Gold Fields' business relies on multiple contractors and suppliers to carry out mining, development, construction and other forms of work on its operations. All contractors are included in Gold Fields' own health and safety management systems, to help ensure that contractor employees benefit from safe and healthy working conditions.

All contractor employees wishing to report human rights violations are able to make use of Gold Fields' confidential, third-party whistleblowing hotline. Where such complaints are made, Gold Fields will pursue the matter appropriately. Gold Fields does not currently carry out human rights due diligence on its suppliers. Nonetheless, the Group has developed an external party

screening solution to establish risk profiles of external suppliers and contractors. Among other criteria, the tool screens new and existing contractors and suppliers for human rights and related violations and/or transgressions.

Gold Fields' protection services team works with both private and public security providers – for the effective and responsible protection of workers and assets. All private security contractors receive human rights training during induction.

Gold Fields is committed to responsible materials stewardship. In this context, we support global efforts to tackle the use of newly mined gold to finance conflict. We have voluntarily adopted the Conflict-Free Gold Standard of the World Gold Council (WGC). This has led to the standard being applied at all relevant locations through full assurance audits. Although we withdrew our WGC membership in 2014, we have and will continue to apply both the Standard and guidelines.



Underground training at South Deep, South Africa



Community relations in South Africa

CONTEXT

- » The South Deep mine is located near Westonaria on the West Rand of the Gauteng province. The West Rand is home to many gold mines, some of which have been operating for decades. After the 2016 local government elections Westonaria was merged with Randfontein to form the Rand West City municipality. Within the municipality there are 10 host communities that are impacted by South Deep, with a population of about 111,000 people (2011). Residents live in formal and informal settlements.
- » The area has high levels of poverty – formal unemployment is at 29.5% and youth unemployment at 39%, higher than the national average. Service delivery to these communities is poor and there is a history of social unrest against local government. While local government elections passed without significant incidents, animosity exists between various community organisations, loosely aligned to political parties.
- » Economic dependency on mining is high with a single employed individual in the sector supporting on average eight dependants.
- » All mining rights holders in South Africa (including South Deep) are required to submit an annual compliance assessment to government on progress made against meeting the annual targets in the Social and Labour Plan (SLP) component of the Mining Charter. A new draft Charter was released for comment in 2016 and consultation between the mining industry and government are ongoing.

BUILD RELATIONSHIP AND TRUST

- » In 2016, South Deep completed its community relations and stakeholder engagement strategy, finalised a three-year plan and commenced implementation
- » Community and government engagements are ongoing with various formal and informal meetings
- » In alliance with Sibanye Gold, Gold Fields constituted a Round Table with representatives from local government and communities to promote socio-economic development in the host communities
- » 12 grievances of a social nature were received of which 11 were resolved and one is outstanding

CREATE AND SHARE VALUE

Community investment at South Deep is undertaken by the mine through its SLP as well as beyond-compliance socio-economic development efforts. These are undertaken directly by the mine, through the Gold Alliance – an alliance between Gold Fields and Sibanye Gold – and through the mine's community trusts – the South Deep Education Trust, the South Deep Community Trusts and the Westonaria Community Trust.

Project 1: Host community procurement

The South Deep Host Community Project vision is the greater of R500m or 25% of total procurement spend redirected to the host community in 2018 and 500 new jobs created by 2020. Host community procurement spend in 2016 was R356m. For details of the project see p99.

Benefit to the community:

Host community procurement not only creates jobs and services in our host communities, thus contributing in our efforts to promote our 'social licence to operate', but also improves the skills set of residents. This enables them to seek alternative employment or grow their enterprises.

Benefit to Gold Fields:

Host community procurement boosts the local supplier base to the mine, enabling us to seek out more competitive services with cost benefits for the operation.

Project 2: Education and skills training

Since 2014, South Deep and its community trusts have been investing in a range of education and skills development projects in the host and labour sending communities. These projects range from early childhood development (ECD) to tertiary education and are mostly undertaken in partnership with government and other non-profit organisations.

During 2016 the following investments were made:

- » Full bursaries were awarded to 34 students to study at institutions of higher learning
- » Scholarships were awarded for 44 pupils to attend private schools
- » Additional maths and science tuition to learners and post-matric students
- » Classes to employees and community members to obtain or upgrade their Grade 12 certification
- » Partial payment of fees for pre-primary school learners
- » Payment of ECD teachers' salaries and development of an ECD centre
- » Tuition, accommodation and transport fees for learners at TVET college



Skills training at South Deep

Benefit to the community

Apart from the obvious benefit derived by the individual students, the broader community benefits is that an increased proportion of their youth is likely to receive tertiary education and ultimately find employment.

Benefit to Gold Fields

The programme provides Gold Fields with a much-needed local skills pipeline of individuals with maths and science-related degrees.

Other material value sharing and creation projects:

- » An agriculture programme under the Gold Alliance started in 2016, involving the use of mine land to support community employment in agriculture. Three farms have been established in partnership with Servigraph and AfriGrow Development.
Cost: R10m (US\$680,000) (2016)
Impact:
 - Reduce unemployment, especially among youth in host communities. Currently about 58 community members work on the farm
 - Diversity the local economy from mining to agriculture
 - Enable the productive use of disused mine land
- » Thusanang Clinic, an eight-roomed prefabricated structure was constructed and equipped in Thusanang in partnership with the provincial Department of Health, the local municipality and the Thusanang Development Trust.
Cost: R1.5m (US\$102,000) (2016)
Impact:
 - Residents of Thusanang have access to healthcare
 - During construction, 16 temporary jobs for host community residents and three SMEs were empowered by contracts for construction services
 - Nine permanent jobs for people living in Thusanang

THE SOUTH DEEP COMMUNITY TRUSTS

Input and support is provided to the Trustees and Administrators, who are independently managing the three trusts indicated below:

Westonaria Community Trust

Payments to date: R18.1m

Key projects:
Sedibeng College
Westonaria Technical College
Thembekile Mandela Foundation
TVET bursaries

South Deep Education Trust

Payments to date: R56.1m

Key projects:
Sedibeng College
Edumap College
High School bursaries
University bursaries
University of the Western Cape
Lapdesk

South Deep Community Trust

Payments to date: R10.5m

Key projects:
Philani
Four community projects
Rural development projects

MANAGE RISKS AND IMPACTS

Project 1: Thusanang informal settlement

Risk:

The informal settlement of Thusanang is situated directly on the border of the mine and is expanding rapidly with around 3,500 households (2011) living there (1998: estimated 121 households) – this poses risks to the mine and the residents.

Action:

- » Frequent and ongoing community engagements
- » Establishment of a landowners committee to jointly manage settlement growth
- » Construction of the Thusanang Clinic, support to the library and other facilities

Spend to date: R1.56m (US\$106,000) (Since 2015)



The Thusanang community lives adjacent to the South Deep mine

Project 2: Westonaria Organisation Workshop (WOW)

Risk:

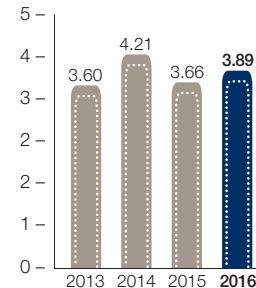
A review of the enterprises created during the WOW, a project of the Gold Alliance, was conducted during 2016, indicating that many of the enterprises were not able to sustain the 200 jobs that were originally created. Efforts are being focused on sustaining jobs mainly through the agricultural programme.

Spend to date: R1.25m (US\$85,000) (Since 2015)

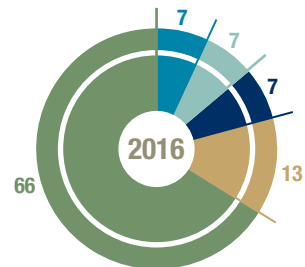
MEASURE ACTIONS / IMPACTS

SED spend in South Africa 2013 – 2016

(US\$m)



South Africa SED contributions by type (%)



Licence to operate

Other actions:

- » An independent mine-community relationship assessment using the ICMM tool was piloted in the Thusanang, Bekkersdal and Simunye communities. The findings indicate improvement in relationships from the 2014/2015 assessments. The assessment will be undertaken in the remaining host communities during 2017 and actions implemented to further address deficiencies.
- » An independent socio-economic impact assessment, assessing the mine's impact on neighbouring communities, has been commissioned. This assessment will seek to measure the change in a range of economic and quality of life indicators in Westonaria since 2011. In addition it will seek to gauge the impact of South Deep's various community investment programmes and projects.

Community relations in Ghana



CONTEXT

- » In 2016, Ghana held peaceful general elections that saw the New Patriotic Party move from main opposition to become the ruling party. This is unlikely to impact Gold Fields' operations, especially from a fiscal perspective, following the signing of the Development Agreement with the Ghana government in 2016.
- » Tarkwa and Damang mines are located in the Western Region along with a few other large-scale gold mines. Mine-community tensions exist in mining areas, the worst example of which was when illegal miners (galamsey operators) invaded AngloGold Ashanti's Obuasi concession in 2015 and 2016.
- » Tarkwa is hosted by the Tarkwa town and eight host communities with approximately 50,000 inhabitants. Damang has nine primary host communities, which are home to about 15,00 people. Traditionally, these communities are under jurisdiction of the Wassa Fiasse Traditional Council. Politically, Tarkwa is within the Tarkwa/Nsuaem Metropolis (local authority), while Damang is in the Prestea/Huni-Valley District (local authority).
- » Both Tarkwa and Damang are peri-urban communities, with access to electricity, health facilities, and other social infrastructure, with Tarkwa being the more developed of the two. Many of the youth in Damang are engaged in agriculture, or work for the mine, either directly or through contractors. A significant number are also engaged in artisanal mining or in the informal sector.

BUILD RELATIONSHIP AND TRUST

- » In 2016, the action plan to address gaps in the 2015 mine-community relationship assessment, was implemented. A community employment committee at each mine was established to promote host community employment and transparency.
- » Formal and informal community and government engagements are ongoing regarding community development. Mine community consultative committee meetings are held quarterly.
- » Gold Fields has worked with an independent consultant to prepare its community relations and stakeholder engagement strategy and three-year implementation plan.
- » 64 grievances of an environmental, social and human rights nature were received by both mines through their formal grievance mechanism – 60 resolved, four outstanding.

CREATE AND SHARE VALUE

Project 1: Road rehabilitation

Gold Fields Ghana, in partnership with the government of Ghana is upgrading the 29km road between Tarkwa and Damang and paving the road surface in bitumen. The total cost of this project is estimated at US\$17m over two years.



Road repair near Tarkwa

During 2016 the following progress was made:

- » A cooperation agreement was signed between Gold Fields and Ghana Highways Authority
- » Contracts were awarded to three contractors for rehabilitation work to be carried out simultaneously and construction commenced
- » Contractors are prioritising local employment as part of their recruitment policy.
- » A socio-economic baseline assessment was undertaken

Benefit to the community:

During construction of the road, job opportunities will primarily go to members of our impacted communities. The improved road infrastructure will benefit all public road users as travel times, vehicular accidents and vehicle maintenance costs will be reduced. Roadside communities will no longer experience dust emissions since the road will be surfaced.

Benefit to Gold Fields:

Gold Fields will save on the cost of transport as the maintenance of vehicles transporting labour, goods and materials will be reduced. Road maintenance costs will also be reduced. The improved infrastructure will also reduce employees' travel time by 35 minutes per journey, could limit driver fatigue and will enable emergency services to operate more efficiently.

Project 2: Youth employment in agriculture

The multi-year Youth in Horticulture Production (YouHop) programme, aimed at generating employment and improving incomes for the youth in host communities, was started in 2016. YouHop is a partnership between the German Development Cooperation (GIZ) and the Gold Fields Ghana Foundation. The Youth in Organic Horticulture Programme (YouHop) is targeting 1,000 community youth, along the entire horticulture value chain – from training, to ICT systems, financing and green label certification. YouHop seeks to be self-funding after three years, when the partners exit.

Impact:

- » Reduce youth unemployment in Tarkwa and Damang mines' host communities and reduce dependency on the mines
- » Improve agricultural production in the area
- » Improve incomes of community youth

Cost: The two organisations are investing a combined €800,000 (US\$850,000) over a three-year period.

Other material creation projects:

- » Construction of a laboratory at the University of Mines and Technology in Tarkwa.
Impact:
 - Improved academic education
 - A quality pipeline of future mine employees

Cost: US\$55,000 (2016). This is the cost of the first phase of the project

- » Scholarships and bursaries for tuition and residence for qualifying pupils and students in the mines host communities.

Impact:

- Improved education and literacy in host communities

Cost: US\$136,000 (2016).

- » Numerous health, sanitation and water supply, road infrastructure projects were implemented through the GFG Foundation.

MANAGE RISK AND IMPACT

Project 1: Damang - Resettlement and compensation

Risk:

Possible loss of livelihoods of 88 farmers affected by the expansion of Damang mine's Amoanda waste dump, affecting our social licence and reputation

Action:

- » Resettlement Action Plan preparation informed by farm surveys and enumeration of structures
- » Reconstitution of Crop Rate Compensation Committee and crop rate review and agreement
- » Review of crop compensation procedure and processes
- » Development of grievance procedure
- » Agreements with 81 migrant farmers to receive cash compensation and seven farmers who will be resettled



Community meeting near the Damang mine

Project 2: Kottreverchy waste dump compensation

Risk:

Failure to resolve the dispute between aggrieved farmers and Gold Fields on the Kottreverchy waste dump compensation issue that has been pending since 2013, could result in a delay in constructing essential tailing dams at Tarkwa. Legal action could also result

Action:

The Environmental Protection Agency is mediating the dispute based on the findings of an independent re-evaluation of the farms and structures

Spend to date: US\$181,000

Project 3: Blasting impact on Tarkwa Brahabobom community

Risk:

Damage to houses because of blasting and resultant ground vibrations – financial and reputational impact.

Actions:

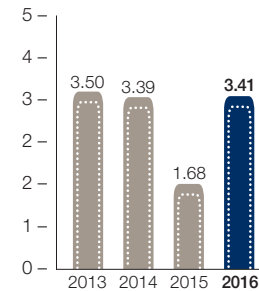
- » Building and structural survey by independent consultant
- » Creation of buffer zone between community and mining area
- » Development of rubber tree plantation along the buffer zone, using community labour
- » Repair of cracks to the 154 houses located outside the 500m blast zone
- » Blast monitoring activities by the joint Gold Fields – community blast monitoring team
- » Continuous engagement with relevant stakeholders (local government, regulators, community members, etc.)

Spend to date: US\$271,000

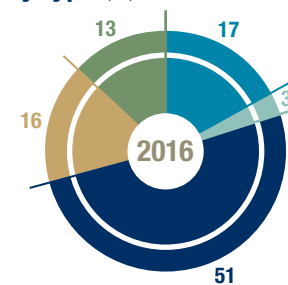
MEASURE ACTIONS / IMPACTS

SED spend in West Africa 2013 – 2016

(US\$m)



West Africa SED contributions by type (%)



■	Economic diversification
■	Environment and conservation
■	Infrastructure
■	Health and wellbeing
■	Education and training

Other actions:

- » Independent baseline studies for the Damang-Tarkwa road project, against which the impacts and benefits of the road can be measured after completion.

Community relations in Peru



CONTEXT

- » In 2016, community protests, particularly with regard to environmental impacts, saw the continued stoppages of certain mining projects in Cajamarca province, and the declaration of an environmental emergency in Hualgayoc.
- » Nationally, the country held elections with the now president winning by a narrow margin. The opposition holds the majority in the Peruvian congress though. This has not impacted Gold Fields' operations.
- » Cajamarca has rich deposits of copper and gold. However, currently in this locality there are four mining projects postponed over environmental or community concerns, strikes and anti-mining protests.
- » Cajamarca is the only region with more than 50% of its population living in poverty. Since 2013, it is the poorest region due to its strong recession, lowered production in the mining sector and projects that have closed. In Cajamarca 89% of the employed population works in the informal sector, while only 11% are formal workers.
- » Cerro Corona's direct area of influence includes the urban centre of Hualgayoc, as well as the rural villages of El Tingo, Coymolache Alto, Coymolache Bajo, Cuadratura and Pílancones, where about 6,000 people live (2011).

BUILD RELATIONSHIP AND TRUST

- » During 2016 the Cerro Corona mine updated its community relations and engagement strategy and developed a multi-year implementation plan
- » Its ongoing engagement with local authorities and community organisations includes formal monthly meetings with local government and community leaders
- » Involvement in community events and festivities is active and ongoing
- » Participation in developing a Peruvian Mining Vision 2030 with the UNDP Development Programme, mining peers and University of Queensland
- » Sixteen grievances of a social and environmental nature were received through the formal grievance mechanism – 11 resolved, five pending

CREATE AND SHARE VALUE

Project 1: Water and environment

This is a four-year programme started in 2014 to improve water quality and access to communities of Hualgayoc in Cerro Corona direct area of influence and to promote, in partnership with government, remediation of legacy mining activities (not associated with Gold Fields). The programme involves building and maintaining potable water systems and remediation of environmental liabilities that are contaminating a local stream.

During 2016 a number of community-based water systems were completed benefiting 307 households.

Total cost: US\$1.5m (since 2015)

Benefit to the community:

Close to 90% of households in Hualgayoc now have access to sufficient clean running water. Apart from strengthening relationships between Gold Fields, the regulator and our host communities, the remediation of legacy mining sites near Cerro Corona will significantly improve the quality of the water in the El Tingo River.

Benefit to Gold Fields:

Strengthens our social licence to operate in a region in which other mining companies have experienced water-related conflict with local communities. It also reduces the cost of trucking our water to the community.



Water basin provided to Cerro Corona communities

Project 2: Development of local suppliers

A three-year project, in partnership with SwissContact, to build the competitiveness of local suppliers was concluded in 2016. The main achievements of the project are:

- » 64 local suppliers underwent a diagnosis followed by an action plan to improve their competitiveness
- » 52 local suppliers started their improvement action plan with an average progress of 70%.
- » 20 local suppliers obtained a new contract with a company/client different from Gold Fields.
- » A local supplier's management system.
- » Supplier competitiveness has increased from 10% to 40% since 2014.

The implementation of a second phase will start in 2017.

Total cost: US\$450,000 (since 2014)

Benefit to the community

Individual local suppliers will derive long-term benefit from targeted plans to help them improve their competitiveness and diversify their customers while the broader community will experience economic upliftment and employment opportunities.

Benefit to Gold Fields

Gold Fields will be able to obtain a better service at more competitive prices from local suppliers.

Other material creation projects:

- » A four-year child nutrition project in Hualgayoc, started in 2014, has had 802 children from 28 hamlets participating. Partnership with Caritas del Peru.
Cost: US\$816,000 (since 2014)

Impact:

- Anaemia diminished from 58% in 2014 to 31% in 2016
- Malnutrition diminished from 45% in 2015 to 36% in 2016

- » Improvement of dairy farming of small farmers in the district through pasture fertilisation and veterinarian support.

Cost: US\$312,000

Impact:

- 200 ha of pastures have been planted
- 420 cows inseminated – calve number improved by 55%
- 1,200 cattle treated

MANAGE RISK AND IMPACT

Project 1: Houses at risk of collapse

Risk:

Possible social protests set off by the collapse of houses due to structural damage in Hualgayoc City that could injure or kill any villager, affecting our social licence and reputation.

Action:

- » Multisectorial committee established to address issue
- » First assessment identified 9 houses in high risk of collapse – all houses rebuilt
- » Second assessment of houses in high risk finished (28 houses identified)

Spend to date: US\$950,000 (since 2014)



A damaged house in Hualgayoc City before and after rebuilding

Project 2: Restrictions to the raising of the Cerro Corona tailings dam above the Las Tomas Spring level

Risk:

Protests by the Manuel Vasquez Association (MVA), a community organisation.

Action:

- » Raising of the spring in line with legal and regulatory permits
- » Expansion of the 12km MVA pipeline system to nearby communities, benefiting 1,500 households in 18 hamlets
- » Earlier agreement with the MVA to raise the tailings dam was addressed. Further engagement with the MVA to execute this agreement

Spend to date: US\$4m (since 2015)



Cerro Corona tailings storage facility

Project 3: Exploration agreements with communities

Risk:

Without consent from local communities no exploration activity – essential to ensure life extension of Cerro Corona – can take place.

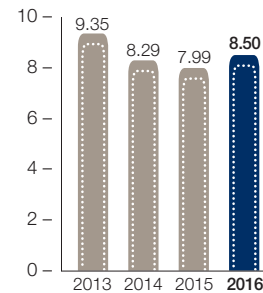
Action:

- » Extensive stakeholder engagement activities with affected communities
- » Early-stage community investment programmes in affected communities
- » Initial exploration agreements with three communities: Cuadratura, La Tahona Baja and Trance de Pujupe
- » Spend to date: US\$127,000 (2016)

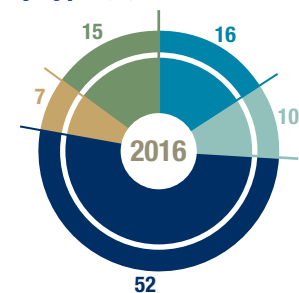
MEASURE ACTIONS / IMPACTS

SED spend in Peru 2013 – 2016

(US\$m)



Peru SED contributions by type (%)



■	Economic diversification
■	Environment and conservation
■	Infrastructure
■	Health and wellbeing
■	Education and training

Other actions:

- » Following implementation of a communication and institutional relations plan to address the findings of the 2014 mine-community relationship assessment, a new independent relationship assessment was carried out. 45% of the interviewed direct influence area people have a good perception of Gold Fields. 33% have a negative perception.
- » Guided visits programme to Cerro Corona reached 72% of the youth in our direct influence area, helping to improve perceptions of mining.

People Focus – Introduction

WORKFORCE PROFILE

The profile of our workforce was profoundly impacted during the initial years of our transformation journey (2012 – 2014), with large-scale

reductions in the number of employees and contractors. Since then, our human resource base has stabilised with 8,964 employees and 9,127 contractors on our books at the end of 2016.

The tables below provide an overview of the Group human resource profile and key performance measures:

Total Workforce by Region

2016	Total workforce	Permanent employees	Contractors	Proportion of Nationals
Americas	2,172	386	1,786	100%
Australia	2,469	1,542	927	98%
South Africa	6,277	3,947	2,330	82%
West Africa	7,057	2,973	4,084	99%
Corporate office	116	116	–	–
Total	18,091	8,964	9,127	95%

Group Human Resources Performance

Category	2016	2015	2014	2013	2012 ⁵
Total employees (excluding contractors)	8,964	9,052	8,954	10,167	9,684
Contractors	9,127	7,798	6,486	6,685	8,961
HDSA employees in South Africa (%) ¹	72	71	71	70	68
HDSA employees in South Africa (%) – senior management ¹	55	48	47	44	31
National employees in Ghana (%) excluding contractors	99	99	99	99	98
Minimum wage ratio ²	1.97	1.50	1.70	3.00	3.00
Female employees (%)	15.00	14.00	14.0	10.9	12.0
Ratio of basic salary men to women	1.31	1.09	1.10	1.20	1.43
Employee wages and benefits (US\$m)	482	435	468	595	780
Average training (hours per employee)	273	240	181	97 ³	142 ³
Employee turnover (%) ⁴	12.00	8.00	20.2	10.0	8.0

¹ Excluding foreign nationals, but including white females and corporate office staff; HDSAs – Historically Disadvantaged South Africans, according to the Employment Equity Act definition.

² Entry level wage compared to local minimum wage. The narrowing of the ratio reflects a sharp rise in the minimum wage in Ghana.

³ Figures do not include Yilgarn South assets.

⁴ Includes voluntary and involuntary turnover.

⁵ Excludes Sibanye Gold.



Employees at South Deep processing plant, South Africa

People Focus – Strategic Focus Areas

Gold Fields' people and the development of a high-performance culture are critical to achieving the following top business objectives:

1. Deliver South Deep
2. Grow a quality portfolio of assets and increase reserve life
3. Improve investor confidence
4. Build strong community relationships

The Company also needs to address the two most pressing people-related risks – the safety and health of employees and the retention of skilled staff in key positions (see Gold Fields' top 10 risks on p42).

SUPPORTING BUSINESS OBJECTIVES AND MITIGATING KEY RISKS

Delivering South Deep

Failure to deliver South Deep is Gold Fields' top risk, and having the right people in place is a critical mitigating factor. Commencing in early 2015 South Deep recruited 164 skilled employees, most of them from the platinum sector, which has a similar mechanised mining skills set. The key core mining and engineering positions have been filled.

During 2016, South Deep launched a comprehensive transformation

project that will ensure the mine develops the skills, culture and capacity to deliver on its strategic objectives, while simultaneously complying with the requirements of the Mining Charter and meeting its Social and Labour Plan commitments. With a strong focus on employment equity and diversity, the project also seeks to mitigate the labour relations risk at the mine.

The table below outlines the key transformation focus areas and the initiatives undertaken during the year to ensure delivery at South Deep:

Focus area	Goal	Plans and delivery to date
Employment equity	Change the employee profile of management to be more representative of national demographics	Our employment equity project was finalised. The project will identify, develop and mentor high potential Historically Disadvantaged South African employees and map their development to potential future leadership roles.
Organisational climate	Create a climate that embraces diversity and the values of Gold Fields	A diversity workshop was piloted to build cultural sensitivity and drive collaboration between members of a diverse workforce.
People management practices	Embed talent management, succession planning, training and development, career progression, mentoring and coaching policies, practices, processes and systems	We conducted a full management talent review which will inform the identification of successors for key roles, with a focus on HDSAs. A coaching framework was developed and mentoring programmes will be launched in 2017.
Women in mining	Drive skills development among female employees, redeploy pregnant women and introduce more appropriate personal protective equipment	In the year ahead we will focus on women in mining and engineering positions at a management level.
Local housing	Deliver decent and affordable accommodation	As part of the Tswelopele employee housing project, which provides financial and other assistance to first-time homeowners, 150 homes were allocated to employees. Currently 790 employees live in converted hostels, 1,127 live in mine-owned or mine-built houses (either rented or purchased) with the remainder living either in privately owned housing or informal settlements. Employee living in their own houses (registered bonds and title deeds) receive a monthly R3,000 housing allowance.
SLP commitments	Entrench community development programmes through local economic development initiatives	Managed under sustainable development and community relations. See p99 for detail.
Local procurement	Provide procurement opportunities to local community members	

During the year, we continued to deliver training programmes to build the pipeline of requisite skills. This is an ongoing focus as the technical skills required for mechanised mining remain in short supply. The training

that artisans receive through the Mining Qualifications Authority (MQA) focuses on conventional mining skills and we therefore provide our artisans with additional training in the mechanised mining skills required at

South Deep. During the year 139 artisans and foremen were trained. The machine operating skills of all operators were assessed and found to be competent, but additional on-the-job coaching was provided

People Focus – Strategic Focus Areas (continued)

by OEMs. 58 frontline supervisors completed a mining supervisory upskill programme.

The leadership, management and technical skills of all managers were assessed, providing a comprehensive view of the leadership competency and skills gaps on the mine. This will inform targeted leadership training in the year ahead and assist in identifying potential future leaders.

A new South Deep employee engagement strategy assesses the key communication and engagement challenges on the mine. The core focus of the strategy is to drive employee behaviours that will support the achievement of the mine's strategic objectives. This will rely heavily on the ability of line management to communicate effectively and engage with employees.

In support of this, South Deep is adapting the new communications competency framework and undertaking comprehensive communication and engagement training in the year ahead. A key focus will be communication of the South Deep rebase Plan, which was announced in February 2017 and sets the production and cost path for the mine over the next five years.

Improving Investor Confidence

To improve investor confidence, we need to have remuneration plans that align rewards to shareholder interests. During the year, Gold Fields changed its long-term incentive plan from the cash-based scheme, introduced in 2014, back to a share incentive plan. This followed extensive engagement with shareholders who believe that a share-based incentive plan creates alignment between shareholder returns and management rewards.

The plan awards qualifying employees conditional performance shares on an annual basis, a percentage of which vest after a three-year period depending on the extent to which the Company has met three corporate performance conditions:

- » Absolute total shareholder return
- » Relative total shareholder return

- » Free cash-flow margin

Growing a Quality Portfolio of Assets and Extending Mineral Reserve Life

To improve the long-term efficiency, productivity and life of operations, we need to have the right skills and expertise both centrally and at our operations. During the year, the Group Technical Division was established to provide technical oversight and support to the Group Executive Committee, and support the regions in finalising the life-of-mine and business plans – full detail can be found on p74. The creation of this division, based in Perth, is central to Gold Fields' focus on advancing technology and innovation to optimise production, safety and cost, and drive greater business efficiencies.

In Australia, the management structure was amended to integrate the Gruyere operation and its requirement to build an operating mine by end-2018/early-2019. The team now includes specific expertise in project development and brownfields exploration, in line with Australia's focus on growth and extending the LoM of our other three operations.

The Damang reinvestment project (p70) is a crucial step in extending the mine's life. The management team has been reorganised so that the appropriate skills are in place to deliver on the plan's objectives. Furthermore, we have ensured that our people have the skills required to manage the performance of the contractors deployed.

As Salares Norte in Chile prepares to enter the pre-feasibility phase, we have recruited people with the necessary competence and experience for this stage of the project development.

Building Strong Community Relationships

The loss of our social licence to operate is listed as our fifth key business risk. One of the key mitigating actions is to ensure fit-for-purpose community and stakeholder relations structures are in place.

During 2016, the Group Sustainable Development team's capacity was bolstered. Furthermore, the capacity of the South Deep community relations department was assessed and strengthened, in order to accelerate the implementation of the five-year stakeholder and communication engagement strategy and three-year plan for building social capital at the mine.

The sustainability of the existing team structure was assessed and structural remediation measures identified to address any gaps. Output-focused job profiles were developed for every position and the competency of all existing team members assessed against these profiles. Individual training plans were developed to address any skills. Finally, new team members were recruited to fill vacant positions in the new structure.

All regions offer bursaries, scholarships, internships and learnerships to local community members. South Deep in particular invests a significant proportion of its training budget R180m (US\$12m) in these programmes. We have also commenced an intensive programme to recruit future employees from local communities (for details see p99).

Safety and Health

The safety and health of our employees was identified one of our consistent top risks.

Behaviour-based safety programmes and occupational health interventions are in place at all our operations – managed by dedicated safety and occupational health teams, and championed at the highest levels of leadership. See p62 – 65 for more detail on the safety programmes and interventions in place.

In addition, we are committed to supporting the holistic health and wellbeing of employees. Various projects are in place to drive this agenda, including:

- » A focus on and support for the mental health of Fly-In, Fly-Out employees in Australia
- » The provision of housing, lifestyle disease management programmes and financial wellness services to employees at all our mines

- » The diagnosis, treatment and compensation of employees at South Deep for diseases such as tuberculosis, silicosis and HIV/Aids
- » Financial wellness and malaria diagnostic and treatment programmes for employees in Ghana

Retention of Skilled Staff in Key Positions

Retaining skilled staff is a key risk. There is a renewed market demand for mining-related skills following the commodities upswing and Gold Fields' relatively flat structure offers limited opportunities for upward mobility. Furthermore, there is the need for specialised skills transfer from an expat workforce at the Ghanaian operations.

The following mitigation strategies are in place to retain scarce skills:

Competitive Remuneration

Gold Fields offers competitive remuneration and a range of benefits to employees in senior positions. These include participation in the annual performance bonus and the share incentive plan. Further details are contained in the Summarised Remuneration Report on p115 – 119.

Gold Fields conducts regular salary benchmarking which informs any adjustments made during the salary review cycle. The Company offers competitive variable pay packages to management employees and production bonus schemes to non-management employees – these increase employees' earning potential, should targets be met or exceeded.

In early 2017 Ghana signed a two-year wage deal with its representative trade unions for 2016 and 2017. The key outcomes of this agreement were a 10% backdated increase on monthly basic pay for 2016 and a 6% hike on basic pay for 2017. About 96% of our workforce in Ghana is represented by trade unions.

South Deep's three-year wage deal, which runs from 2015 to 2017, ensured that, depending on their position, bargaining unit employees received an increase in wages as well as housing, living out, scarce skills, retention and Fulco (full

calendar operation) allowances during the year. With the exception of the living out allowance, which will largely be phased out in 2017, they will continue to receive such benefits in the year ahead. About 92% of our South Deep workforce is represented by trade unions.

Succession Planning and Individual Development

The Group's talent review process was evolved to more accurately identify high-potential employees and potential successors for key roles. High-potential employees have clearly defined individual development plans that are mapped to specific succession roles. A talent dashboard was developed to allow managers to comprehensively view where skills gaps lie and to identify potential successors for key roles. The dashboard is housed on an integrated system that provides improved people data to inform succession decisions.

The importance of coaching and mentoring has also been emphasised as an important capability required by all leaders. Managerial employees in key positions need to transfer skills to potential successors who have been identified through the talent review process. To support localisation plans, Ghana has rolled out a full coaching programme, whereby expatriate employees transfer skills and knowledge to local Ghanaian talent. Furthermore, a Group-wide programme was launched to improve the coaching capability of management employees.

Targeted Training and Development Programmes

Gold Fields invested US\$17m in training and development programmes during the year, and established a global e-learning platform. Managers have individual development plans that link specific formal and non-formal training to their career growth aspirations.

We provide high potential employees with the opportunity to be involved in short-term assignments in other regions – an important retention and development intervention, particularly given the Company's flat structure. High-potential Ghanaian employees also have the opportunity to go on

secondment to peer mining companies to learn best practice.

Leadership Development

We recognise the role that leaders – and growing high-potential employees into future leadership roles – play in retaining staff in key positions. Leadership development is therefore a key focus area in our performance scorecard (BSC).

In addition to the coaching and diversity training programmes mentioned above, we evolved the management development programme during the year to include a greater focus on developing better people management skills. We have identified the characteristics required for leaders to drive a high-performance culture and develop an inclusive work environment that embraces diversity, and training programmes are being rolled out to develop these competencies in managers.

The online SuccessFactors portal also provides managers with a variety of toolkits to assist with performance management, exit interviews and recognition programmes for top performing employees.

Employee Engagement and Culture

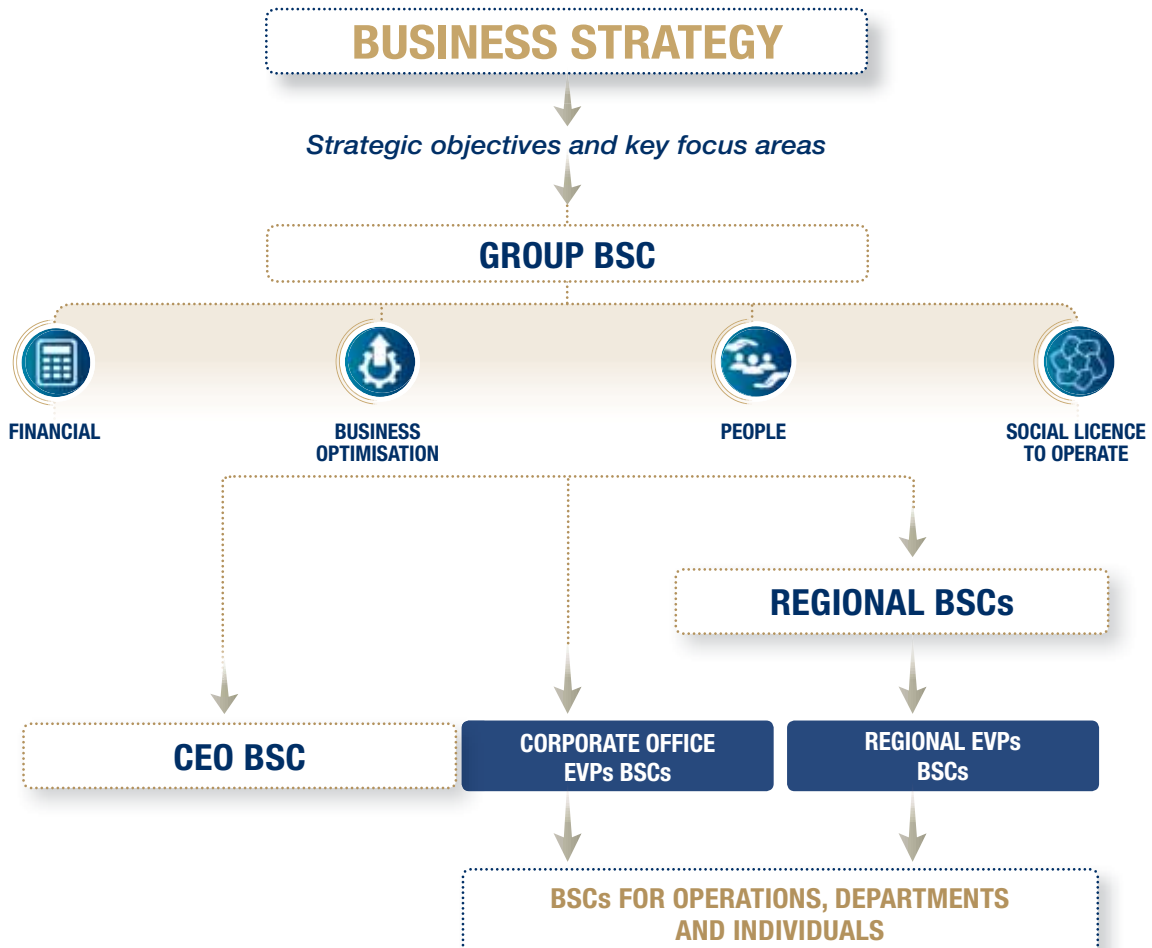
During 2016, the Group adopted a new approach to employee engagement, captured in a revised employee engagement strategy. This approach ensures all communication and engagement focuses on driving the behaviours necessary to deliver on strategic business objectives.

Managers are the first and arguably most important communication channel to employees. A key focus during the year was building communications capability of line managers. A communications competency framework was developed to detail the communication competencies required of all line managers. This will inform a Group-wide training programme to be rolled out in the year ahead to build this skills set among leadership.

People Focus – Strategic Focus Areas (continued)

Performance Management

The Gold Fields Balance Scorecard (BSC) cascades strategic objectives from Group level CEO and EVPs, regions, departments and individuals. This ensures that individual goals are aligned to and supportive of the achievement of strategic goals. Furthermore, the extent to which targets are achieved partly informs the individual salary increases and bonuses of employees (other factors include the overall performance of the company and individual benchmarks). The BSC cascading model and how it drives, measures and rewards delivery is outlined below. The 2016 and 2017 BSCs are on p25.



BALANCED SCORECARDS: HOW PERFORMANCE IMPACTS BONUS AND SALARY INCREASE

The BSC performance of each employee is rated on a scale of 1 to 5, the outcome of which is one contributing factor to their annual performance bonus and salary increase.

BSC rating scale

- 1: → Non-performer
- 2: → Poor performer
- 2.5: → Low performer
- 3: → Good performer
- 3.5: → Great performer
- 4: → High performer
- 4.5 – 5: → Top performer

Personal BSC performance rating (35% weighting) + Company performance rating (65% weighting), modified by job grade and gross remuneration package

ANNUAL PERFORMANCE BONUS

Personal BSC performance rating modified by salary provisions and CPI

ANNUAL SALARY INCREASE

Summarised Remuneration Report

This is a summarised version of the Remuneration Committee's Remuneration Report – the full version of which can be found in the Annual Financial Report

The fundamental principles of Gold Fields' remuneration policy remain unchanged, namely that the policy should:

- » Ensure that the Group's executive remuneration policy encourages, reinforces and rewards the delivery of sustainable shareholder value
- » Provide competitive rewards to encourage ownership in the

business, as well as setting stretch performance targets for the delivery of reward-based variable short-term and long-term incentive plans for its executive directors and senior management

- » Motivate and reinforce individual, team and business performance in the short, medium and long term

The remuneration strategy is underpinned by sound remuneration management and governance principles, and comprises the following key elements:

- » Guaranteed pay

- » Benefits
- » Short-term incentives i.e. annual performance bonuses
- » Long-term incentives

CHANGES TO THE REMUNERATION PLAN

During 2016 Gold Fields' management received extensive shareholder feedback on the remuneration policy. This feedback and our responses are outlined below:

SHAREHOLDER FEEDBACK

- » Shareholders have a strong preference that executives own shares in the company they manage and called for equity-settled long-term incentives.
- » Shareholders suggested a deferral of the vesting of a portion of the short-term incentives into restricted shares.
- » Shareholders requested a long-term performance period of five years, or a three-year performance period with a two-year holding period after vesting.
- » Shareholders requested relative returns versus peer companies as the primary long-term performance factor.
- » Shareholders asked that short-term incentives be reformulated to give sufficient weight to delivery on South Deep development and mining plans.
- » Shareholders support clawback policies to ensure executives do not obtain incentives when the status of a company is compromised.

GOLD FIELDS' RESPONSE

- » Gold Fields obtained shareholder approval in 2016 to reinstate the revised Gold Fields Limited 2012 Share Plan as its long-term incentive plan (LTIP), thereby replacing the cash-based LTIP.
- » In 2016, Gold Fields implemented a Minimum Shareholding Requirement (MSR) where executives are required to build and hold a percentage of their salary in Gold Fields shares for a period of five years. Through this policy Gold Fields executives can defer all or part of their long-term and short-term incentives prior to vesting into restricted shares.
- » Gold Fields corporate performance conditions for the three-year performance period were amended to include relative total shareholder return (TSR).
- » Gold Fields increased the weighting of the CEO's personal objectives related to South Deep to 40%.
- » Gold Fields will develop a clawback policy for implementation in 2017.

GUARANTEED PAY

As a global organisation, with the majority of our operations outside South Africa, we expect our senior executives to have global experience. Our approach to remuneration therefore takes account of the need to be competitive throughout the various jurisdictions in which the Group operates.

The annual remuneration review takes place in March of each year. All eligible employees received a salary increase on 1 March 2016 and the average increase for executives during 2016 was 6.8%. The overall increase in labour costs fell within the approved mandate of the Committee.

In 2016, the ratio of average executive director compensation vs average employee compensation was 20.2. This ratio has gradually reduced from 25.0 in 2014 and 22.2 in 2015 as a result, among others, of the above inflationary wage increases received by our employees in South Africa in terms of the three-year wage agreement reached in 2015.

The 2017 annual gross remuneration packages, or GRP, payable to the CEO, Nick Holland, and the CFO, Paul Schmidt, as determined the Remuneration Committee, were as follows:

- » Nick Holland: R11,006,700 plus US\$397,800
- » Paul Schmidt: R6,954,800 plus US\$121,400

BENEFITS

Gold Fields' also provides, where appropriate, additional benefits as listed below:

- » Executive participation in the retirement scheme of their respective regions. The Company and the employee (in most instances) provide contributions towards retirement savings
- » Healthcare assistance through either a percentage contribution, reimbursement or through Company-appointed healthcare providers
- » Life insurance as a fixed amount or a multiple of salary
- » Disability insurance for all executives, which comprises an

Summarised Remuneration Report (continued)

amount to replace partially lost compensation during a period of medical incapacity or disability

- » Group personal accident cover

SHORT-TERM INCENTIVES (ANNUAL BONUS)

Aside from Group objectives listed on the Group performance scorecard (p25), the CEO and CFO were also assessed on individual and strategic objectives. These objectives are set every year based on key performance areas and are approved by the Committee. Performance against these objectives is reviewed by the Committee towards the end of the year.

Reflecting on the objectives set at the beginning of 2016 and the decisions taken by the Company during 2016 to meet these objectives, is a clear indication of the Company's ability to focus its business plans to achieve its strategic objectives. The key strategic objectives identified at the time were to:

1. Deliver South Deep development and operating plans
2. Optimise our portfolio by structuring the Company to

- generate at least 15% free cash-flow margin at a US\$1,300/oz gold price
3. Adopt a dividend first policy – paying a dividend of between 25% and 35% of normalised earnings
4. Lower debt levels and have a net debt:adjusted EBITDA ratio of below 1:1

Executive directors are eligible to earn performance bonuses of 60% of GRP for the CFO and 65% of GRP for the CEO for on-target performance, which comprise both individual and strategic performance objectives as well as wider Group objectives. In the case of the CEO and CFO, 65% of the performance bonus is based on Group objectives and the remainder is based on individual strategic objectives. For the regional Executive Vice-Presidents, bonuses are judged against Group, regional and operational objectives. The annual bonus for the CFO and CEO could increase above 60% and 65% respectively if the stretch target is achieved, up to a maximum bonus cap of twice the on-target bonus percentage.

Taking all these factors into account, the CEO received a personal performance score of 4.5 out of 5 and the CFO received a personal performance score of 4.5 out of 5. The aggregate bonus paid to members of the executive team in February 2017 was 89% of annual salary. For the CEO it was 127% and the CFO 117% of annual salary.

LONG-TERM INCENTIVES

In terms of the provisions of the 2012 Share Plan, eligible employees were awarded performance shares on 1 March 2013 that vested on 1 March 2016.

According to the performance criteria set by the Committee, the number of performance shares awarded is modified according to the Gold Fields share price performance, measured against seven other gold companies, namely AngloGold Ashanti, Goldcorp, Barrick, Harmony, Kinross, Newmont and Newcrest. The share price performance is measured over the 36-month period from 1 March 2013 to 11 February 2016.

The table below reflects the actual vesting quantum for the Group Executive Committee for the 2014 LTIP award, which was paid on 28 February 2017 but does not reflect in the remuneration table on p119:

Name	Designation	US\$ value of initial LTI award	US\$ value of awards vested on 28 February 2017
		(US\$ million)	(US\$ million)
NJ Holland ¹	Chief Executive Officer	1.30	–
PA Schmidt	Chief Financial Officer	0.63	0.24
R Weston	EVP: Australasia	0.91	0.35
A Baku	EVP: West Africa	0.79	0.30
LN Samuel	EVP: People and Organisational Effectiveness	0.47	0.18
BJ Mattison	EVP: Strategy Planning and Corporate Development	0.50	0.19
NA Chohan	EVP: Sustainable Development	0.23	0.09
TL Harmse	EVP: General Counsel	0.36	0.14
N Muller	EVP: South Africa	0.06	0.02
Total		5.25	1.52

¹ Nick Holland elected, prior to the vesting of the 2014 LTIP award and in line with the MSR Policy, to defer 100% (US\$500,00) in the form of Restricted Shares.

THE REVISED GOLD FIELDS LIMITED 2012 SHARE PLAN

Nature of Instruments

Retention Shares: For high performance outcomes and on an *ad hoc* basis, selected participants will be awarded conditional rights to receive shares at the end of the vesting period. The award will only be settled after the vesting date and the participant will not have any shareholder or voting rights prior to the vesting date. The vesting of the award will be subject to the vesting condition being met and may not have performance conditions attached.

Performance Shares: Participants will be awarded conditional rights to receive shares at the end of the vesting period. The award will only be settled after the vesting date and the participant will not be entitled to any shareholder rights (including voting rights and distribution rights) prior to the vesting date. The vesting of the award will be subject to the vesting condition and applicable performance conditions being met.

Restricted Shares: As stated above, executives will be given the opportunity, prior to the annual bonus being communicated or the upcoming vesting date of the LTIP award or performance shares, to elect to receive a portion of the annual bonus or cash LTIP in restricted shares or convert a portion of the unvested performance shares into restricted shares towards fulfilment of the MSR. These shares are subject to a five-year holding period, but all shareholder rights will accrue in respect of the Restricted Shares.

Matching Shares: In recognition of compliance with the MSR and the risk associated with holding shares in the Company, executives will receive conditional rights to receive shares and will not be entitled to any shareholder rights prior to settlement. Settlement will take place after the vesting date which will be on the fulfilment of the MSR over the five-year holding period and the vesting condition, provided that they have sustainably accumulated shares to reach the MSR over the holding period. The number of matching

shares subject to an award made to an executive will be based on the MSR policy as set out above.

Corporate performance conditions

Free cash-flow margin and absolute TSR are also among the corporate performance conditions for the revised Gold Fields Limited 2012 Share Plan that was reintroduced in 2016. However, the plan also incorporates the additional relative TSR performance condition.

Vesting conditions

Awards made in terms of the amended Gold Fields Limited 2012 Share Plan were subject to the following vesting conditions:

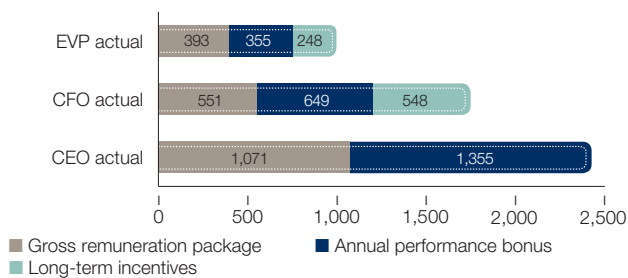
1. Absolute shareholder return – 33% weighting.
2. Relative shareholder return – 33% weighting.
3. Free cash-flow margin – 34% weighting.

PAY COMPONENTS OF EXECUTIVES

The pay components of our executives are displayed below:

Total remuneration actual outcomes for 2016

(US\$'000)



Summarised Remuneration Report (continued)

Minimum Shareholding Requirement as at 31 December 2016

The policy requires executives to accumulate and hold a specific percentage of shares in the Company in accordance with the Minimum Shareholding Requirement policy.

Nick Holland elected, prior to the accrual or vesting and determination of the respective incentive, to defer:

- » 50% of his 2015 short-term incentive;
- » 50% of his 2016 short-term incentive; and
- » 100% of the 2014 LTIP award which was due to vest on 28 February 2017

towards achieving the Minimum Shareholding Requirement – which

will be held in Escrow in the form of Restricted Shares for a five-year restricted period.

In addition, he elected to defer vesting of 100% of the 2013 Performance Share award which was due to vest on 1 March 2016.

Effective 20 March 2017, Nick Holland committed a total of 916,090 shares towards the fulfilment of the MSR comprising:

- » 507,473 Restricted Shares held in Escrow as at 31 December 2016; and
- » 408,617 Restricted Shares acquired in March 2017 held in Escrow.

The total US\$ value of the Restricted Shares held in Escrow – based on the 15 March 2017 Gold Fields share price of R40 (\$3.08) – is US\$2,821,557. Mr Holland now holds in excess of the 200% of annual GRP in terms of the MSR. No other executive has elected to receive any Restricted Shares and no executive has committed any personal investments to meet the MSR.

Refer to the Share Ownership table for the Directors' and Prescribed Officers' beneficial interest in the Company. This table can be found in the Director's Report in the Annual Financial Report.

Directors' and Prescribed Officers' Equity-Settled Instruments

The directors and prescribed officers held the following equity-settled instruments at 20 March 2017:

	Equity-settled instruments at 31 December 2015		Equity-settled instruments granted during the year	Equity-settled instruments forfeited during the year	Equity-settled instruments vested during the year			Equity-settled instruments transferred to Restricted Shares	Equity-settled instruments at 31 December 2016	
	Number	Average strike price (US\$)	Granted	Number	Number	Average market price of vested shares	Benefit arising (US\$)	Number	Number	Weighted average strike price (US\$) ¹
Director										
Nick Holland	296,555	7.46	460,233	65,045	—	—	—	374,996 ²	316,747	7.04
Paul Schmidt	123,652	7.38	240,945	24,640	138,652	3.94	545,836	—	201,305	7.04
Prescribed officer										
Richard Weston	95,768	7.38	221,379	12,333	124,932	4.50	562,194	—	179,882	7.04
Ernesto Balarezo	39,182	—	39,182	—	78,364	4.32	338,831	—	—	—
Alfred Baku	35,302	7.44	182,682	9,674	35,118	4.41	154,925	—	173,192	5.16
Taryn Harmse	29,392	7.54	100,710	7,441	25,324	3.94	99,694	—	97,337	6.91
Lee-Ann Samuel	42,948	7.52	105,205	—	78,226	4.41	345,099	—	69,927	6.48
Brett Mattison	56,448	7.46	139,478	14,111	61,202	3.94	240,936	—	120,613	7.04
Naseem Chohan	46,133	8.15	92,487	4,752	52,904	4.41	233,389	—	80,964	7.04
Nico Muller	245,208	—	137,280	—	—	—	—	—	382,488	—
Richard Butcher	—	—	23,964	—	—	—	—	—	23,964	—
Avishkar Nagaser	—	—	33,136	—	—	—	—	—	33,136	—

¹ Share Appreciation Rights (SARS) weighted average strike price

² Nick Holland elected to defer vesting of 100% of the 2013 Performance Share award which was due to vest on 1 March 2016 into Restricted Shares. Mr Holland has 507,473 Restricted Shares held in Escrow as at 31 December 2016, which will vest after the five-year holding period or termination of employment, whichever comes first. The 507,473 Restricted Shares comprises of 132,477 shares relating to the 2015 short-term incentive and 374,996 shares relating to the 2013 Performance Share award. A further 408,617 Restricted Shares were acquired in March 2017 relating to the 2016 short-term incentive and the 2014 LTIP award.

Non-Executive Directors' Fees and Executive Directors' and Prescribed Officers' Remuneration

The directors and prescribed officers were paid the following remuneration which excludes the value of deferred remuneration in the form of Restricted Shares for the year ended 31 December 2016. Details of deferred remuneration is included in note 3 to the table below.

The table below provides details of the remuneration of executive directors and prescribed officers in 2016, in terms of US Dollar values. An average exchange rate for the 12-month period ended 31 December 2016 was used: i.e. US\$1 = R14.70 to convert to US Dollar values.

All figures stated in US\$'000	Directors' fees	Committee fees	Salary ¹	Pension scheme contribution	Annual bonus ²	Sundry	Severance	Sub-total	Pre-tax share proceeds for shares awarded in previous years	Total realised earnings as at 31 December 2016 ⁴	For the 12-month period ended 31 December 2015
Executive directors											
Nick J. Holland ⁵	—	—	1,030	40.9	677.6	—	—	1,748.5	18.1	1,766.6	2,832.4
Paul A. Schmidt	—	—	496.7	54.4	648.6	4	—	1,203.7	547.8	1,751.5	1,755.3
Prescribed officers											
Ernesto Balarezo ⁵	—	—	332.5	—	—	—	1,644.4	1,976.9	338.8	2,315.7	1,572.4
Luis Rivera ⁶	—	—	154.5	—	111.0	246.4	—	511.9	—	511.9	—
Alfred Baku ⁷	—	—	746.1	156.4	620.2	314.5	—	1,837.2	96.8	1,934.0	1,938.7
Richard Weston	—	—	576.4	64.2	570.7	7.4	—	1,218.7	562.2	1,780.9	1,796
Richard Butcher ⁸	—	—	275.1	27.5	323.2	110.7	—	736.5	—	736.5	—
Naseem A Chohan	—	—	284	27.7	328.6	2.9	—	643.2	198.1	841.3	864.4
Brett Mattison	—	—	362.4	25.5	429.7	0.6	—	818.2	245.3	1,063.5	972.6
Lee-Ann Samuel	—	—	288.4	24.8	339.9	3.7	—	656.8	345.1	1,001.9	839
Taryn Harmse	—	—	282.3	29.5	345.7	4.3	—	661.8	100.1	761.9	759.6
Nico Muller	—	—	450.4	26.4	477	2.4	—	956.2	—	956.2	1,078.5
Avishkar Nagaser	—	—	193.9	21.5	221.1	0.3	—	436.8	—	436.8	442.5
Manuel Diaz ⁹	—	—	136.1	—	1.2	—	—	137.3	—	137.3	—
Non-Executive Directors											
Cheryl A. Carolus	183	—	—	—	—	—	—	183	—	183	203.8
Alan R. Hill ¹⁰	64.5	49.9	—	—	—	—	—	114.4	—	114.4	110.2
David N. Murray ¹¹	24.1	12.2	—	—	—	—	—	36.3	—	36.3	100.8
Richard P. Menell ¹²	95.5	16.7	—	—	—	—	—	112.2	—	112.2	113.3
Gayle M. Wilson	60.1	54.6	—	—	—	—	—	114.7	—	114.7	119.5
Donald M. J. Ncube	60.1	41.6	—	—	—	—	—	101.7	—	101.7	113.3
Yunus Suleman ¹³	20.6	12.6	—	—	—	—	—	33.2	—	33.2	—
Peter Bacchus ¹⁴	23.1	14.2	—	—	—	—	—	37.3	—	37.3	—
Steven Reid ¹⁵	59.7	29.6	—	—	—	—	—	89.3	—	89.3	—
Terence Goodlace ¹⁶	30.9	15.1	—	—	—	—	—	46	—	46	—
Alhassan Andani ¹⁷	28.9	14.2	—	—	—	—	—	43.1	—	43.1	—
Kofi Ansah ¹⁰	64.5	18.2	—	—	—	—	—	82.7	—	82.7	85.8
Total	715.0	278.9	5,608.8	498.8	5,094.5	697.2	1,644.4	14,537.6	2,452.3	16,989.9	15,698.1

Average exchange rates were US\$1=R14.70 for the FY2016 and US\$1 = R12.68 for the FY2015, respectively

¹ The total US\$ amounts paid for 2016, and included in Salary, were as follows: Nick Holland US\$390,000, Paul Schmidt US\$119,000, Brett Mattison US\$84,500

² The annual bonus accruals for the 12 month period ended 31 December 2016, paid in February 2017

³ Nick Holland elected prior to the determination of the annual performance bonus for 2016 and in line with the Rules of the MSR Policy, to defer 50% of his cash bonus (US\$677,600) into Restricted Shares. A similar election was made in 2015 to defer 50% of his annual performance bonus (US\$618,900) into Restricted Shares. The aggregate of his total realised earnings of US\$1,766,600 (2015: 2,832,400), as reflected in the table above, and the deferred remuneration of US\$677,600 (2015: US\$618,900) in the form of Restricted Shares amounts to US\$2,444,200 (2015: US\$3,451,300).

⁴ These amounts reflect the full directors' emoluments for comparative purposes. The portion of executive directors' emoluments payable in US\$ is paid in terms of agreements with the offshore subsidiaries for work done by directors offshore for offshore companies. Refer note 1 above for such amounts paid.

⁵ Ernesto Balarezo – Resigned 30 June 2016

⁶ Luis Rivera – Appointed on 1 October 2016, sundry payment relates to sign-on and legislated bonuses

⁷ Alfred Baku – Sundry payment relates to leave allowance (US\$66,500) and the final payment of a retention bonus (US\$248,000)

⁸ Richard Butcher – Appointed on 8 February 2016 – sundry payments relates to sign-on bonus

⁹ Manuel Diaz – Appointed as Acting EVP: Americas Region for the period July - September 2016

¹⁰ Alan Hill and Kofi Ansah – Retired Board membership 31 December 2016

¹¹ David Murray – Retired Board membership 31 May 2016

¹² Richard Menell – Appointed Deputy Chairperson 1 June 2016

¹³ Yunus Suleman – Appointed to Board 1 September 2016

¹⁴ Peter Bacchus – Appointed to Board 1 September 2016

¹⁵ Steven Reid – Appointed to Board 1 February 2016

¹⁶ Terence Goodlace – Appointed to Board 1 July 2016

¹⁷ Alhassan Andani – Appointed to Board 1 August 2016

First party: Internal Audit Statement

Gold Fields Internal Audit (GFIA) is an independent assurance provider to the Gold Fields Audit Committee on the effectiveness of the governance, risk management and control processes within Gold Fields.

The Internal Audit activities performed during the year were identified through a combination of the Gold Fields Risk Management framework, which includes the Combined Assurance Framework and the risk-based methodology adopted by the Gold Fields Internal Audit function. This risk-based audit methodology complies with the Institute of Internal Auditors' (IIA) "International Standards for the Professional Practice of Internal Auditing". Furthermore, GFIA operates a quality assurance programme that involves performing detailed quality review assessments at an activity and functional level.

The risk-based annual audit plan that has been derived from the above approach is approved by the Audit Committee annually. The internal audit activities are executed by a team of appropriate, qualified and experienced Internal Auditors, or through the engagement of external practitioners on specified and agreed terms. The Internal Audit team is based in South Africa and services all the Gold Fields operations globally. The Vice President and Group Head of Internal Audit provides quarterly feedback to the Audit Committee and has a functional reporting line to the Audit Committee.

Based on the work performed by GFIA during the year, the Vice President and Group Head of Internal Audit has presented the Audit

Committee with an assessment on the effectiveness of the Company's governance, risk management and system of internal control. It is GFIA's opinion that the governance, risk management and internal control environment are effective within the Gold Field business and provide reasonable assurance that the objectives of Gold Fields will be achieved. This GFIA assessment forms one of the basis for the Audit Committee's recommendation in this regard to the Board.



Shyam Jagwanth

Vice President and Group Head of Internal Audit

Johannesburg, South Africa

20 March 2017

Independent Assurance Provider's Report on Selected Information

TO THE DIRECTORS OF GOLD FIELDS LIMITED

We have undertaken an assurance engagement on selected information, as described below, and presented in the IAR of Gold Fields Limited (Gold Fields) for the year ended 31 December 2016 (the Report). This engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

SUBJECT MATTER

We are required to provide reasonable assurance on selected information, which has been prepared in accordance with the criteria set out in (a) and (b) of the table below.

a) Reasonable assurance on the following KPIs: prepared in accordance with Gold Fields' reporting criteria that accompanies the selected sustainability performance information on p126 – 128 (the accompanying Gold Fields reporting criteria).	
Environment	Unit
Total CO ₂ equivalent emissions, scope 1 – 3	Tonnes
Electricity	MWh
Number of environmental incidents – Level 3 and above	Number of incidents
Total water withdrawal	Mℓ
Diesel	Kℓ
Total water recycled/re-used per annum	Mℓ
Water intensity	Kℓ withdrawn/ounce of gold produced
Total energy consumed / total tonnes mined	GJ/total tonnes mined
Total energy consumed / ounce of gold produced	GJ/ounce of gold produced
Occupational health	
Number of cases of Silicosis reported	Number of cases
Number of cases of Noise Induced Hearing Loss reported	Number of cases
Number of Cardio Respiratory Tuberculosis reported	Number new cases reported
Number of cases of Malaria tested positive per annum	Number of positive cases
Number of South African and West African employees in the Highly Active Anti Retroviral Therapy (HAART) programme	Number of employees
Percentage of South African and West African workforce on the voluntary counselling and testing (VCT) programme	Percentage of workforce
Safety	
Total Recordable Injury Frequency Rate (TRIFR)	Number of TRIs/million man hours worked
Number of fatalities	Number
Social	
Total socio-economic development (SED) spend	US\$
Mining Charter	
Percentage Historically Disadvantaged South Africans (HDSA) in Management (DL to FU) who are classified as designated groups and who are employed at management levels (Top Management (Board), Senior, Middle, Junior, Core Skills and Total), Including and excluding Corporate and including and excluding white females	Top management %
	Senior %
	Middle %
	Junior %
	Core %
Maintaining the conversion of hostels to ensure an occupancy rate of one person per room	Total %
	Ratio of total hostel employees v hostel rooms
	Number of houses built
	Percentage
	Number of bursars/scholars
Number of bursaries/scholarships provided	Number
	%
	R
Research and development initiatives supported	

Independent Assurance Provider's Report on Selected Information

(continued)

Mining Charter (continued)	Unit
a) Reasonable assurance on the following KPIs: prepared in accordance with Gold Fields' reporting criteria that accompanies the selected sustainability performance information on p126 – 128 (the accompanying Gold Fields reporting criteria).	
Rand value spent on local economic development (LED) projects in the Social Labour Plan (SLP) in the current reporting year	R
Procurement spend from black economic empowerment (BEE) entities (in line with the mining charter categories of capital goods, services & consumable goods)	Capital goods: % Services: % Consumable goods: %
Total procurement spend from BEE entities	R (BEE procurement spend)
Annual spend on procurement from multi-national suppliers	Percentage of capital goods procurement
Percentage of samples sent to South African facilities	Percentage
Implementation of Approved environmental management plans (EMP's)	Percentage
Implementation of the tripartite action plan on health and safety	Percentage
b) Reasonable assurance on the statement below: Prepared in accordance with the International Council of Mining and Metals' (ICMM) Sustainable Development Framework.	
	Unit
The directors' statement on p3 of the IAR, that "Gold Fields has complied with the ICMM Sustainable Development Framework, principles, Position Statements and Reporting commitments".	Text

DIRECTORS' RESPONSIBILITIES

The directors are responsible for the selection, preparation and presentation of the selected sustainability performance information in accordance with the accompanying Gold Fields reporting criteria. This responsibility includes the identification of stakeholders and stakeholders' requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for the preparation and presentation of their statement that Gold Fields has complied with the ICMM Sustainable Development (SD) Framework, principles and reporting commitments. This responsibility includes ensuring that Gold Fields has processes and systems in place that are designed and implemented to operate and monitor compliance with the ICMM SD Framework, principles and reporting commitments relevant to the preparation of the statement that is free from material misstatement, whether due to fraud or error.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Services Proprietary Limited applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express an opinion on the selected information based on the evidence we have obtained. We have conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance

Standards Board. The Standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the selected information is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the quantification of the selected information, the statement made by the directors and related disclosures. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments we considered internal control relevant to Gold Fields' preparation of the selected sustainability performance information. A reasonable assurance engagement also includes:

- » Assessing the suitability in the circumstances of Gold Fields' use of the accompanying Gold Field reporting criteria as the basis for preparing the selected sustainability performance information
- » Evaluating the appropriateness of quantification methods and reporting policies and internal guidelines used, and the

reasonableness of estimates made by Gold Fields

- » Evaluating the overall presentation of the selected sustainability performance information and whether the information presented in the Report is consistent with our findings, overall knowledge and experience of sustainability management and performance at Gold Fields.

Our work included the following evidence-gathering procedures:

- » Interviewing management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process. Inspecting documentation to corroborate the statements of management and senior executives in our interviews
- » Testing the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information
- » Inspecting supporting documentation and performing analytical procedures on a sample basis to evaluate the data generation and reporting processes against the accompanying Gold Fields reporting criteria
- » Undertaking physical site visits to Gold Fields' South Deep, Tarkwa, Damang and St Ives operations and remote reviews of the Granny Smith, Agnew/Lawlers, Darlot, and Cerro Corona operations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion,

- » a) the selected sustainability performance information set out in (a) of the Subject Matter paragraph above for the year ended 31 December 2016 is prepared, in all material respects, in accordance with the accompanying Gold Fields reporting criteria; and
- » b) the directors' statement on p3 of the report that Gold Fields has complied with the ICMM sustainable Development Framework, principles and reporting commitments is, in all material respects, fairly stated.

OTHER MATTERS

The maintenance and integrity of the Gold Fields website is the responsibility of Gold Fields' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Gold Fields website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express an opinion on the selected information to the directors of Gold Fields in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any other party other than Gold Fields, for our work, for this Report, or for the opinion we have reached.

KPMG Services Proprietary Limited



Per PD Naidoo
Director

20 March 2017

KPMG Crescent
85 Empire Road
Parktown
Johannesburg
2193



Per CH Basson
Director

20 March 2017

Key Sustainability Performance Data

The following key sustainability performance information was selected by Gold Fields, for assurance by KPMG in 2016 which have been reported in accordance with the criteria listed in the table below.

Parameter	Level of assurance	Management figure
Selected sustainability performance information presented in compliance with Subject Matter 4 of the International Council of Mining and Metals' (ICMM) Sustainable Development Framework: Assurance Procedure (ICMM Assurance Procedure), and prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines and Gold Fields' internally developed Guidelines (available on request):		
Environment		
Total CO ₂ equivalent emissions, scope 1-3 (in tonnes)	Reasonable	1,963,759 tonnes
Electricity (MWh)	Reasonable	1,400,422MWh
Number of environmental incidents - Level 3 and above	Reasonable	3 incidents
Total water withdrawal (Mℓ)	Reasonable	30,321Mℓ
Diesel (kℓ)	Reasonable	183,497kℓ
Total water recycled/re-used per annum (Mℓ)	Reasonable	44,274Mℓ
Water intensity (kℓ withdrawn per ounce of gold produced)	Reasonable	30,321,160kℓ / 2,218,873 = 13.67
Total energy consumed (GJ)/total tonnes mined	Reasonable	11,696,447GJ / 185,102,637 = 0.06
Total energy consumed (GJ)/ounce of gold produced	Reasonable	11,696,447GJ / 2,218,873 = 5.27
Health		
Number of cases of Silicosis reported	Reasonable	7 cases
Number of cases of Noise Induced Hearing Loss reported	Reasonable	9 cases
Cardio Respiratory Tuberculosis (number of new cases reported)	Reasonable	35 cases
Number of cases of Malaria tested positive per annum	Reasonable	514 positive cases
Number of South African and West African employees in the HAART programme (cumulative)	Reasonable	354 employees
Percentage of South African and West African workforce on the voluntary counselling and testing (VCT) programme	Reasonable	4,670 people on VCT / 13 450 people = 34.72%
Safety		
TRIFR ¹	Reasonable	124 TRIs / 54,669,196 hours = 2.27
Number of fatalities	Reasonable	One
Social		
Total socio-economic development (SED) spend in US Dollars ²	Reasonable	\$16,190,509.50

Parameter	Level of assurance	Management figure	
Selected Mining Charter elements prepared in compliance with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (BBSEEC) (2002) and related Scorecard (2004), and presented in compliance with Subject Matter 4 of the International Council of Mining and Metals' (ICMM) Sustainable Development Framework: Assurance Procedure (ICMM Assurance Procedure):			
Mining Charter			
Employment Equity			
Percentage HDSAs in Management: ³	Reasonable	Mining Rights Holder	Mining Rights Holder
- Top management (Board level) ⁴		(including white females) ⁶	(excluding white females)
- Senior Management (Exco) ⁵		Top: 50%	Top: 50%
- Middle Management		Senior: 60%	Senior: 50%
- Junior Management		Middle: 60%	Middle: 57%
- Core and critical skills		Junior: 54%	Junior: 51%
		Core: 71%	Core: 68%
		Total: 70%	Total: 67%
		Mining Rights Holder + Corporate Office (including white females) ⁵	Mining Rights Holder + Corporate Office (excluding white females)
		Top: 43%	Top: 36%
		Senior: 50%	Senior: 39%
		Middle: 60%	Middle: 47%
		Junior: 59%	Junior: 52%
		Core: 71%	Core: 68%
		Total: 69%	Total: 66%
Housing and Living Conditions			
Maintenance of the conversion rate of hostels to ensure an occupancy rate of one person per room	Reasonable	0.93 employee to hostel room ratio	
Number of houses built as part of home ownership scheme	Reasonable	150 houses	
Skills and development			
HRD Expenditure as a percentage of total annual payroll (excluding mandatory skills development levy)	Reasonable	9.65%	
Number of bursaries/scholarships provided	Reasonable	20 bursars	
Research and development initiatives supported	Reasonable	Number of initiatives: 0 Percentage of South African institutions: 0% Expenditure: R0	
Local Economic Development (LED)			
Rand value spent on LED projects in the SLP in the current reporting year	Reasonable	R11,311,370	
Procurement and Enterprise Development			
Procurement spend from BEE entities (in line with the mining charter categories of capital goods, services and consumable goods)	Reasonable	Capital goods: 89% Services: 81% Consumable goods: 83%	

Key Sustainability Performance Data (continued)

Parameter	Level of assurance	Management figure
Total procurement spend from BEE entities (BBSEEC, 2010)	Reasonable	BEE procurement spend: R2,174,927,226 Total procurement spend: R2,574,454,835
Annual spend on procurement from multi-national suppliers: Contribution to the social fund	Reasonable	0.77%
Sustainable Development and Growth		
Percentage % of samples in South African facilities	Reasonable	100%
Implementation of Approved EMP's (Defined as per the categories contained in the on-line Mining Charter submission template to the DMR)	Reasonable	100%
Implementation of the tripartite action plan on health and safety (Defined as per the categories contained in the on-line Mining Charter submission template to the DMR)	Reasonable	86%

¹ Per million hours worked, including employees and contractors.

² Our SED definition has been aligned to the World Gold Council definition, which excludes employee-related SED spend, and includes the SED spend from the South Deep Education and Community Trusts as well as the Westonaria Community Trust. In addition, SED spend from exploration is included

³ The calculations exclude contractors and temporary employees

⁴ For the Mining Rights Holder it includes the board members of Gold Fields Operations Limited and GFI Joint Venture Holdings (Pty) Ltd (South Deep Joint Venture) and for the combined Mining Rights Holder and Corporate Office view, the Gold Fields Ltd. board members

⁵ For the Mining Rights Holder it includes members of both the South Africa Regional Exco and the South Deep Mine Exco and for Corporate Office it includes the members of the Group Executive Committee, but exclude Executive Directors at board level

⁶ Reportable in terms of the BBSEEC (2010)

Administration and corporate information

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