

Gold Fields Group's tax strategy, policy and risk management

Tax strategy and policy

Our tax strategy is to proactively manage our tax obligations in a transparent, responsible and sustainable manner, acknowledging the differing interests of all our stakeholders.

The Group does not engage in aggressive tax planning and seeks to maintain professional real time relationships with the relevant tax authorities. In material or complex matters the Group would generally seek advance tax rulings, or alternatively, obtain external counsel opinion.

The Group does not embark on intra-group gold sales and only sells its gold (or gold-equivalent product) directly to independent third parties at arm's-length prices – generally at the prevailing gold spot price. Active business income is therefore fully declared and taxed in the source country where the relevant mining operation is located, with the revenue accruing to the source country.

Tax risk management

The 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. Our Group TP Policy is fully compliant with OECD guidelines and is regularly updated and benchmarked by independent experts. Uncertain tax positions are properly evaluated and reported in terms of International Accounting Standard (IAS) 37 – Provisions, Contingent Liabilities and Contingent Assets. All material uncertain tax positions as per IAS 37 are fully disclosed to and evaluated by our external auditors.

The Group is subject to South African Controlled Foreign Companies (CFC) tax legislation, which is aimed at taxing passive income and capital gains realised by its foreign subsidiaries (to the extent that it was not taxed in the foreign jurisdiction).

The Group has reported its key financial figures on a country-by-country basis as from 2017 onwards. The country-by-country reports are filed with the South African Revenue Service, which will exchange the

information with all the relevant jurisdictions with which it has concluded or negotiated exchange of information agreements. Gold Fields also reports its total tax contribution and indicative tax rate on a country-by-country basis in its Annual Financial Report.

The Group's external auditors review material tax risks, and tax authorities routinely review the Group's tax returns.

Tax governance

The Group oversees its tax affairs through multiple levels of management. The Group has invested and allocated appropriate resources in the Group tax department to ensure we comply with our global tax obligations. The Group has a global team of tax professionals, located in all of its operating jurisdictions, charged with managing their respective tax affairs in line with the Group's Code of Conduct, global tax strategy and internal policies.

The Chief Financial Officer has ultimate responsibility for setting Group's tax strategy. The day-to-day operational responsibility for the execution of tax policy resides with the Vice-President and Group Head of Tax. The Vice-President and Group Head of Tax and Chief Financial Officer reports tax matters to the Board's Audit Committee on a regular basis. The Group's tax strategy is reviewed and approved formally by the Audit Committee on an annual basis.

Approach to engaging with tax authorities

The Group seeks to maintain open, constructive and ethical relationships with tax authorities in all the countries in which it operates and strives for transparency in its dealings with these authorities. The Group attempts to work collaboratively and in a timely manner with tax authorities to resolve disputes where tax laws are unclear. It will seek to protect its position in the courts where it believes a tax authority has assessed a transaction or position incorrectly or unfairly under the law.

The Group also interacts with governments on the development of fair, clear and predictable tax laws. The Group does this directly or through various industry organisations.