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#939598" ALIGN="right">1,002.2	P Schmidt Executive									
Director 2018	626.6	48.2	306.2	2017	588.6	48.2	542.7	L Rivera ⁸	Prescribed	
Officer 2018	668.6	72.8	134.0	2017	626.3	48.4	270.4	A Baku ⁹	Prescribed	
Officer 2018	808.0	185.8	634.8	2017	784.7	180.5	719.8	R Butcher	Prescribed	
Officer 2018	384.5	37.3	192.4	2017	353.0	37.9	278.5	N Chohan	Prescribed	
Officer 2018	367.2	26.5	213.9	2017	342.8	26.3	288.3	B Mattison ¹⁰	Prescribed	
Officer 2018	453.6	26.5	271.9	2017	426.7	26.3	369.9	T Harmse	Prescribed	
Officer 2018	369.7	26.5	215.3	2017	344.7	26.3	290.1	A Nagaser	Prescribed	
Officer 2018	243.3	27.0	131.1	2017	228.1	25.3	192.0	S Mathews ¹¹	Prescribed	
Officer 2018	438.2	29.5	289.4	2017	397.5	21.2	326.1	M Preece	Prescribed	
Officer 2018	541.7	26.5	168.8	2017	338.2	16.6		R Bardien ¹²	Prescribed	
Officer 2018	274.3	24.3	150.5							

Average exchange rates were US\$1 = R13.20 for FY2018 and US\$1 = R13.33 for FY2017. No termination payments during the year

¹ The total US\$ amounts paid for 2018, and included in salary were as follows: NJ Holland US\$406,700; PD Schmidt US\$124,150; and BJ Mattison US\$88,200. The total US\$ amounts paid for 2017, and included in salary were as follows: NJ Holland US\$396,500; PD Schmidt US\$121,000; and BJ Mattison US\$86,000

² The annual bonus accruals for the year ended 31 December 2017 and 31 December 2018, paid in February 2018 and February 2019, respectively

³ The values of the 2015 LTI plan with a performance period ending 31 December 2017 is reflected in the 2017 figures

The values of the 2016 performance shares with a performance period ending 31 December 2018 is reflected in the 2018 total single figure of remuneration based on a US\$3.29 price as at 31 December 2018. The vesting date is 1 March 2019 and will be reflected in the 2019 cash value equivalent on settlement

⁴ The 2017 total single figure of remuneration includes the cash equivalent value of matching shares awarded in terms of the MSR policy in 2017

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				Total single figure of remuneration	Less: amounts not yet settled⁶	Add: cash value on settlement⁷	Total cash equivalent remuneration
LTI plan reflected³	Matching shares reflected⁴	Other⁵					
1,027.2				2,966.8	(1,688.7)	1,475.6	2,753.7
463.5	942.8			3,621.7	(2,408.5)	677.6	1,890.8
646.4		2.1		1,629.4	(952.6)	1,011.2	1,688.0
459.0	157.5	4.0		1,800.0	(1,159.2)	891.2	1,532.0
		385.7		1,261.3	(519.7)	481.3	1,222.9
		253.3		1,198.4	(486.7)	111.0	822.7
621.9		68.0		2,318.6	(1,256.8)	1,237.2	2,299.0
463.5	51.9	150.2		2,350.6	(1,235.2)	924.4	2,039.8
90.3				704.5	(282.7)	267.6	689.4
				669.4	(278.5)	323.2	714.1
248.7		1.8		858.2	(462.7)	403.5	799.0
126.0	54.0	3.3		840.7	(468.3)	417.2	789.6
410.1		2.5		1,164.6	(681.9)	672.5	1,155.1
297.0	55.4	1.0		1,176.3	(722.3)	622.2	1,076.2
331.6		7.8		950.8	(546.9)	548.0	951.9
252.0	10.0	6.8		929.9	(552.1)	484.3	862.1
124.8		0.4		526.6	(255.9)	245.1	515.8
90.0		0.7		536.1	(282.0)	221.1	475.2
274.2		4.9		1,036.3	(563.6)	514.2	986.9
		10.0		754.8	(326.1)		428.7
		0.4		737.3	(168.8)		568.6

		354.8		354.8
	106.1	555.2	(150.5)	404.7

⁵ Other includes special bonuses and incidental payments unless otherwise stated

⁶ Includes cash incentive, cash LTI plan and matching shares reflected for the year

⁷ The 2018 figure includes the bonus related to the 2017 financial year paid in February 2018 and the 2015 cash LTIP vested and settled in March 2018. The 2017 figure includes the bonus related to the 2016 financial year paid in February 2017 and the 2014 cash LTIP vested and settled in March 2017.

⁸ L Rivera other payments for 2018 relate to cash in lieu of 2016 share award payable upon vesting in March 2019. His appointment package and conditions were approved by RemCo but the LTI award was inadvertently not executed hence he was never physically awarded. This value reflects the equivalent cash compensation in this regard. Cash incentives include legislated bonus portion. Company contributions to pension erroneously not reported previously

⁹ A Baku other payments for 2018 relate to approved profit share bonus payment approved and 2017 relates to leave allowance in line with related policy

¹⁰ BJ Mattison other payments for 2018 relate to a service award in line with Company practice

¹¹ S Mathews other payments for 2018 relate to bonus payment in lieu of most improved operation bonus scheme

¹² R Bardien appointed on 1 February 2018; other payments relate to sign on bonus

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Remuneration Report continued

Unvested awards and cash-flow on settlement

Executive	Opening number of awards on 1 January 2017	Granted/ enhanced vesting during 2017	Fair value at grant date	Forfeited/ lapsed during 2017	Vested during 2017	Closing number of awards on 31 December 2017	Cash value on settlement during 2017 US\$
NJ Holland							
2011 SARS	44,012			44,012			
2014 Cash LTI plan	1,300,000			799,500	500,500		
2015 Cash LTI plan	1,030,000					1,030,000	
2016 Performance shares PS9	272,735					272,735	
2017 Performance shares PS10		370,042	1,146,333			370,042	
2017 MSR Matching Shares		244,574	828,427			244,574	
2018 Performance Shares PS11*							
2018 MSR Matching Shares*							
Total			1,974,760				
PA Schmidt							
2011 SARS	29,686			29,686			
2014 Cash LTI plan	630,000			387,450	242,550		242,550
2015 Cash LTI plan	1,020,000					1,020,000	

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2016 Performance shares PS9	171,619				171,619
2017 Performance shares PS10		178,808	553,920		178,808
2017 MSR Matching Shares		40,850	138,368		40,850
2018 Performance Shares PS11*					
2018 MSR Matching Shares*					
Total			692,288		242,550
L Rivera					
2017 Performance shares PS10		67,182	208,120		67,182
2018 Performance Shares PS11*					
Total			208,120		
A Baku					
2011 SARS	8,069		8,069		
2014 Cash LTI plan	790,000		485,850	304,150	304,150
2015 Cash LTI plan	1,030,000			1,030,000	
2016 Performance shares PS9	165,123				165,123
2017 Performance shares PS10		156,967	486,260		156,967
2017 Restricted Shares PS10 Damang		133,311	412,977		133,311
2017 MSR Matching Shares		13,468	45,619		13,468
2018 Performance Shares PS11*					
2018 MSR Matching Shares*					
Total			944,856		304,150
NA Chohan					
2011 SARS	14,929		14,929		
2014 Cash LTI plan	230,000		141,450	88,550	88,550
2015 Cash LTI plan	280,000			280,000	
2016 Performance shares PS9	66,035				66,035
2017 Performance shares PS10		70,907	219,659		70,907
2017 MSR Matching Shares		14,008	47,448		14,008
2018 Performance Shares PS11*					
2018 MSR Matching Shares*					
Total			267,107		88,550
A Nagaser					
2015 Cash LTI plan	200,000				200,000

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2016 Performance shares PS9	33,136		33,136
2017 Performance shares PS10		48,673	48,673
2018 Performance Shares PS11*		150,782	
2018 MSR Matching Shares*			
Total		150,782	

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Closing estimated fair value at 31 December 2017 US\$	Granted during Strike price 2018	Forfeited/ lapsed during 2018	Vested during 2018	Closing number on 31 December 2018	Cash value on settlement during 2018 US\$	Closing estimated fair value at 31 December 2018 US\$	Strike price US\$
	8.23						n/a
	n/a						n/a
463,500	n/a	566,500	463,500				n/a
1,220,991	n/a			272,735		960,401	n/a
2,411,913	n/a			370,042		1,266,521	n/a
966,133	n/a			244,574		804,893	n/a
							n/a
							n/a
5,062,537						3,031,814	
	8.23						n/a
	n/a						n/a
459,000	n/a	561,000	459,000		459,000		n/a
768,311	n/a			171,619		604,334	n/a
1,165,461	n/a			178,808		611,995	n/a

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161,369	n/a			40,850		134,437	n/a
	n/a						n/a
	n/a						n/a
2,554,140				459,000		1,350,767	
437,889	n/a			67,182		229,940	n/a
	n/a						n/a
437,889						229,940	
	8.23						n/a
	n/a						n/a
463,500	n/a	566,500	463,500		463,500		n/a
739,229	n/a			165,123		581,459	n/a
1,023,102	n/a			156,967		537,242	n/a
526,614	n/a			133,311		438,727	n/a
53,202	n/a			13,468		44,323	n/a
	n/a						n/a
	n/a						n/a
2,805,648				463,500		1,601,750	
	8.23						n/a
	n/a						n/a
126,000	n/a	154,000	126,000		126,000		n/a
295,628	n/a			66,035		232,534	n/a
462,168	n/a			70,907		242,689	n/a
55,335	n/a			14,008		46,100	n/a
	n/a						n/a
	n/a						n/a
939,131				126,000		521,323	
90,000	n/a	110,000	90,000		90,000		n/a
148,345	n/a			33,136		116,684	n/a
317,248	n/a			48,673		166,590	n/a
	n/a						n/a
	n/a						n/a
555,592				90,000		283,274	

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Remuneration Report continued

Unvested awards and cash-flow on settlement continued

Executive	Opening number of awards on 1 January 2017	Granted/ enhanced vesting during 2017	Fair value at grant date	Forfeited/ lapsed during 2017	Vested during 2017	Closing number of awards on 31 December 2017	Cash value on settlement during
							2017
T Harmse							
2011 SARS	6,212			6,212			
2011 (b) SARS	3,077			3,077			
2014 Cash LTI plan	360,000			221,400	138,600		138,600
2015 Cash LTI plan	560,000					560,000	
2016 Performance shares PS9	88,048					88,048	
2017 Performance shares PS10		95,126	294,686			95,126	
2017 MSR Matching Shares		2,592	8,780			2,592	
2018 Performance Shares PS11*							
2018 MSR Matching Shares*							
Total			303,465				138,600
B Mattison							
2011 SARS	11,736			11,736			
2014 Cash LTI plan	500,000			307,500	192,500		192,500
2015 Cash LTI plan	660,000					660,000	
2016 Performance shares PS9	108,877					108,877	
		116,641	361,336			116,641	

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2017 Performance shares PS10					
2017 MSR Matching Shares	14,368	48,668			14,368
2018 Performance Shares PS11*					
2018 MSR Matching Shares*					
Total		410,004			192,500
M Preece					
2017 Performance shares PS10	53,462	165,617			53,462
2018 Performance Shares PS11*					
2018 MSR Matching Shares*					
Total		165,617			
R Butcher					
2016 Performance shares PS9	23,964				23,964
2017 Performance shares PS10	98,389	304,794			98,389
2018 Performance Shares PS11*					
Total		304,794			
S Mathews					
2014 Cash LTI plan	200,000		123,000	77,000	77,000
2015 Cash LTI plan	440,000				440,000
2016 Performance shares PS9	72,802				72,802
2017 Performance shares PS10	107,533	333,121			107,533
2018 Performance Shares PS11*					
Total		333,121			77,000
R Bardien¹					
2018 Performance Shares PS11*					
Total					

Specific notes

¹ R Bardien appointed on 1 February 2018

*2018 Performance and matching share awards were postponed due to a trade restricted period. The awards will be included in the 2019 period. Performance period remains 1 March 2018 to 31 December 2020

General notes

a. The 2016 performance shares awarded on 1 March 2016, vesting on 1 March 2019, were valued at the share prices noted below with an estimated vesting in 2016 of 100%, 2017 of 113% and a final vesting in 2018 of 107%

b. The 2017 performance shares awarded on 1 March 2017, vesting on 1 March 2020, were valued at the share price noted below with an estimated vesting in 2018 of 104%

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- c. The 2017 Matching shares awarded on 23 May 2017 were valued at the share prices noted below with an estimated vesting of 100%*
- d. The 20-day volume-weighted average price, for determining the value of the unvested awards as at 31 December 2016, is US\$2.93*
- e. The 20-day volume-weighted average price, for determining the value of the unvested awards as at 31 December 2016, is US\$3.95*
- f. The 20-day volume-weighted average price, for determining the value of the unvested awards as at 31 December 2018, is US\$3.29*
- g. Share prices used are based on the ADR share price*

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Closing estimated fair value at 31 December 2017 US\$	Strike price 2018	Granted during 2018	Forfeited/ lapsed during 2018	Vested during 2018	Closing number on 31 December 2018	Cash value on settlement during 31 December 2018 US\$	Closing estimated fair value at 31 December 2018 US\$	Strike price US\$
	8.23							n/a
	7.92							n/a
	n/a							n/a
252,000	n/a		308,000	252,000		252,000		n/a
394,177	n/a				88,048		310,050	n/a
620,026	n/a				95,126		325,582	n/a
10,239	n/a				2,592		8,530	n/a
	n/a							n/a
	n/a							n/a
1,276,442						252,000	644,162	
	8.23							n/a
	n/a							n/a
297,000	n/a		363,000	297,000		297,000		n/a
487,425	n/a				108,877		383,396	n/a

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760,260	n/a			116,641		399,220	n/a
56,757	n/a			14,368		47,285	n/a
	n/a						n/a
	n/a						n/a
1,601,442				297,000		829,901	
348,462	n/a			53,462		188,259	n/a
	n/a						n/a
	n/a						n/a
348,462						188,259	
107,283	n/a			23,964		84,386	n/a
641,294	n/a			98,389		346,464	n/a
	n/a						n/a
748,577						430,850	
	n/a						n/a
198,000	n/a	242,000	198,000		198,000		n/a
325,923	n/a			72,802		256,363	n/a
700,894	n/a			107,533		378,663	n/a
	n/a						n/a
1,224,817				198,000		635,026	
	n/a						n/a

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Remuneration Report continued

Non-binding advisory vote Implementation Report

As set out in King IV, shareholders are required to cast a non-binding advisory vote on the Implementation Report at the Gold Fields AGM on 21 May 2019.

Should there be a 25% or higher vote against the adoption of the above, we will embark upon a process of shareholder engagement in order to understand the drivers of the dissenting votes, and to discuss potential remedial measures.

Non-Executive Director (NED) fees

NEDs were paid the following committee and Board fees as per the fees approved by shareholders on 24 May 2017 for the period 1 January 2018 to 31 May 2018; and on 22 May 2018 for the period 1 June 2018 to 31 December 2018.

US\$ 000	Board fees 2018			Total received for the period ending 31 December 2017
	Director s fees	Committee fees	Total	
	Cheryl Carolus	231.3	231.3	216.0
	Rick Menell	150.5	150.5	140.5
	Don Ncube ¹	30.7	21.3	51.9
	Yunus Suleman	75.9	72.4	148.4
			148.4	124.2

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Peter Bacchus	80.6	61.1	137.0	129.6
Steven Reid	80.6	55.4	136.0	130.6
Terence Goodlace	75.9	38.4	114.3	111.5
Alhassan Andani	80.6	40.2	120.8	129.8
Carmen Letton	80.6	49.8	130.4	71.0
Phuti Mahanyele-Dabengwa ²	25.9	2.7	28.6	

¹ *D Ncube retired from the Board at end May 2018*

² *P Mahanyele-Dabengwa was appointed to the Board in September 2018*

We intend to seek approval from shareholders at the AGM on 21 May 2019 for NED fees for the period 1 June 2019 to 31 December 2019 to be the same as the fees previously approved for the period 1 January 2019 to 31 May 2019.

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The Gold Fields Annual Financial Report including Governance Report 2018 **61**

Management's discussion and analysis
of the financial statements

The following management's discussion and analysis of the financial statements should be read together with the Gold Fields consolidated financial statements, including the notes accompanying these financial statements.

OVERVIEW

Gold Fields is a significant producer of gold and a major holder of gold reserves and resources in South Africa, Ghana, Australia and Peru. In Peru, Gold Fields also produces copper. In addition, Gold Fields is jointly developing the Gruyere Gold project in Western Australia and completing a feasibility study on the Salares Norte deposit in Chile. Gold Fields is primarily involved in underground and surface gold and surface copper mining and related activities, including exploration, extraction, processing and smelting.

In 2018, the South African, Ghanaian, Peruvian and Australian operations produced 7%, 36%, 15% and 42% of its total gold production, respectively.

Gold Fields' South African operation is South Deep. Gold Fields also owns the St Ives, Agnew/Lawlers and Granny Smith gold mining operations in Australia, a 90.0% interest in the Tarkwa and Damang mines in Ghana and a 45% interest in the Asanko mine in Ghana. Gold Fields also owns a 99.5% interest in the Cerro Corona mine in Peru.

Asanko

On 29 March 2018, Gold Fields entered into certain definitive agreements with Asanko Gold Inc. (Asanko) pursuant to which, among other things, Gold Fields and Asanko will each own a 45% interest in Asanko Gold Ghana Limited (AGGL), the Asanko subsidiary that currently owns the Asanko Gold mine, with the government of Ghana continuing to retain a 10% free-carried interest in AGGL.

On 20 June 2018, Gold Fields and Asanko received approval of the joint venture transaction (JV transaction) from the Ghanaian Minister of Lands and Natural Resources and the JV transaction closed on 31 July 2018 once all conditions precedent were met.

In consideration for its interests in the joint venture, Gold Fields contributed US\$165 million. An additional US\$20 million will be invested in the redeemable preference shares on an agreed Esaase development milestone, but in any event no later than 31 December 2019.

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Gold Fields and Asanko have joint control as each party has equal representation on the management committee that governs the relevant activities of the arrangement.

For the purpose of the review of the Group's results by the Chief Operating Decision Maker (CODM), in terms of IFRS 8 *Operating Segments*, Asanko is proportionately consolidated. As a result, the management's discussion and analysis includes analysis of Asanko's results where appropriate. Where reference is made to excluding equity-accounted investees or excluding Asanko, this refers to amounts determined in accordance with IFRS. All other references to Asanko are non-IFRS.

Darlot

In 2017, Gold Fields sold the Darlot mine in Western Australia, through a wholly owned subsidiary, to ASX-listed Red 5 Limited (Red 5) for a total consideration of A\$18.5 million, comprising A\$12 million in cash and 130 million Red 5 shares. The cash component was made up of an upfront amount of A\$7 million which could be converted into participation in a Red 5 rights issue and A\$5 million deferred for up to 24 months. The deferred consideration may be taken as additional shares in Red 5 or as cash at Gold Fields' election. The gain on disposal of Darlot was A\$31 million (US\$24 million).

The sale of Darlot was completed on 2 October 2017. Gold Fields received the relevant upfront cash consideration (converted into participation in a Red 5 rights issue) as well as the issue of the Red 5 shares as part of the consideration during 2017. In 2017, Gold Fields participated in a rights issue by Red 5 and received 117 million additional shares valued at A\$6 million (US\$5 million). Gold Fields has a 19.9% shareholding in Red 5 with a market value of A\$15 million (US\$11 million). The deferred consideration was received in cash during 2018.

Darlot has been disclosed as a discontinued operation.

Gruyere Gold project

On 13 December 2016, Gold Fields purchased 50% of the Gruyere Gold project and entered into a 50:50 unincorporated joint venture with Gold Road Resources Limited (Gold Road) for the development and operation of the Gruyere Gold project in Western Australia, which comprises the Gruyere gold deposit as well as additional resources including Central Bore and Attila/Alaric (Gruyere).

Gold Fields acquired a 50% interest in the Gruyere Gold project for a total purchase consideration of A\$350 million (US\$259 million) payable in cash and a 1.5% royalty on Gold Fields' share of production after total mine production exceeds two million ounces. The cash consideration was split with A\$250 million (US\$185 million) payable on the effective date and A\$100 million (US\$74 million) payable according to an agreed construction cash call schedule. Of the A\$100 million payable, A\$7 million was paid in 2016, A\$78 million in 2017 and A\$15 million in 2018. Transaction costs of A\$19 million (US\$13 million) were incurred.

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Management's discussion and analysis

of the financial statements (continued)

Reserves and resources

As of 31 December 2018, Gold Fields reported attributable proved and probable gold and copper reserves of 48 million ounces of gold and 691 million pounds of copper, as compared to the 49 million ounces of gold and 764 million pounds of copper reported as of 31 December 2017.

Gold production

Figures in thousands unless otherwise stated

	2018		2017		2016	
	Gold produced		Gold produced		Gold produced	
	oz produced		oz		oz	
	Managed	Attributable	Managed	Attributable	Managed	Attributable
South Deep	157.1	157.1	281.3	281.3	290.4	290.4
South Africa region	157.1	157.1	281.3	281.3	290.4	290.4
Tarkwa	524.9	472.4	566.4	509.8	568.1	511.3
Damang	180.8	162.7	143.6	129.2	147.7	132.9
Asanko	44.5	44.5				
Ghanaian region	750.2	679.6	710.0	639.0	715.8	644.2
Cerro Corona	314.1	312.6	306.7	305.3	270.2	268.9
South America region	314.1	312.6	306.7	305.3	270.2	268.9
St Ives	366.9	366.9	363.9	363.9	362.9	362.9
Agnew/Lawlers	239.1	239.1	241.2	241.2	229.3	229.3
Granny Smith	280.4	280.4	290.3	290.3	283.8	283.8
Australia region	886.4	886.4	895.4	895.4	875.9	875.9
Continuing operations	2,107.8	2,035.7	2,193.3	2,121.0	2,152.3	2,079.4
Discontinued operation – Darlot			39.2	39.2	66.4	66.4
Total Group (excluding Asanko)	2,063.2	1,991.2	2,232.5	2,160.2	2,218.7	2,145.8

Total Group (including Asanko)	2,107.8	2,035.7	2,232.5	2,160.2	2,218.7	2,145.8
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Gold production for the Group (continuing and discontinued operations, including Asanko) was 2.108 million ounces (2017: 2.233 million ounces) of gold equivalents in 2018, 2.036 million ounces (2017: 2.160 million ounces) of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru.

Gold production for the Group (continuing and discontinued operations, excluding Asanko) was 2.063 million ounces (2017: 2.233 million ounces) of gold equivalents in 2018, 1.991 million ounces (2017: 2.160 million ounces) of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru.

Gold production for continuing operations (including Asanko) was 2.108 million ounces (2017: 2.193 million ounces) of gold equivalents in 2018, 2.036 million ounces (2017: 2.121 million ounces) of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru.

Gold production for continuing operations (excluding Asanko) was 2.063 million ounces (2017: 2.193 million ounces) of gold equivalents in 2018, 1.991 million ounces (2017: 2.121 million ounces) of which were attributable to Gold Fields with the remainder attributable to non-controlling shareholders in Ghana and Peru.

Gold production from the discontinued operation, Darlot, was 0.039 million ounces in 2017, all of which were attributable to Gold Fields.

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At South Deep in South Africa, production decreased by 44% from 8,748 kilograms (281,300 ounces) in 2017 to 4,885 kilograms (157,100 ounces) in 2018 due to decreased volumes and grades. This was mainly due to the industrial action, the restructuring process as well as the fatal accident, further exacerbated by poor ground conditions in the high grade areas of the mine.

At the Ghanaian operations (including Asanko), gold production increased by 6% from 710,000 ounces in 2017 to 750,200 ounces in 2018 due to higher production at Damang as well as the inclusion of 44,500 ounces from Asanko for the five months ended December 2018. At the Ghanaian operations (excluding Asanko), gold production decreased by 1% from 710,000 ounces in 2017 to 705,700 ounces in 2018 due to lower production at Tarkwa partially offset by higher production at Damang. At Tarkwa, gold production decreased by 7% from 566,400 ounces in 2017 to 524,900 ounces in 2018 mainly due to lower volumes mined in line with the 2018 planned strategy to reduce mining and optimise margins and cash flow. At Damang, gold production increased by 26% from 143,600 ounces in 2017 to 180,800 ounces in 2018 mainly due to higher head grade and yield. Production at Asanko amounted to 44,500 ounces for the five months ended December 2018.

Gold equivalent production at Cerro Corona increased by 2% from 306,700 ounces in 2017 to 314,100 ounces in 2018, mainly due to the higher copper price relative to the gold price (price factor) and higher copper production as a result of higher copper head grade.

At the Australian continuing operations, gold production decreased by 1% from 895,400 ounces in 2017 to 886,400 ounces in 2018 due to marginally lower production at Agnew and Granny Smith. St Ives gold production increased by 1% from 363,900 ounces in 2017 to 366,900 ounces in 2018. At Agnew, gold production decreased by 1% from 241,200 ounces in 2017 to 239,100 ounces in 2018, mainly due to decreased ore processed. At Granny Smith, gold production decreased by 3% from 290,300 ounces in 2017 to 280,400 ounces in 2018 due to lower grades mined.

In 2017, gold production at Darlot amounted to 39,200 ounces for the nine months to September 2017.

NON-IFRS MEASURES

The following table sets out the non-IFRS measures disclosed throughout the Annual Financial Report and where they are reconciled to IFRS:

Non-IFRS measure	Purpose of measure	Reference to where reconciled to IFRS
All-in sustaining costs (AISC)	Intended to provide transparency into the costs associated with producing and selling an ounce of gold.	p68
All-in costs (AIC)	Intended to provide transparency into the costs associated with producing and selling an ounce of gold.	p68
Adjusted EBITDA		
Net debt	Used in the ratio to monitor the capital of the Group.	p202
Net debt to adjusted EBITDA		
Net cash flow	Management uses net cash flow to measure the cash generated by the core business.	p113
Adjusted free cash flow and adjusted free cash flow margin	Used as a key metric in the determination of the long-term incentive plan.	p75
Sustaining and non-sustaining capital expenditure	Used in the determination of AISC and AIC.	p69

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REVENUES

Substantially all of Gold Fields' revenues are derived from the sale of gold and copper. As a result, Gold Fields' revenues are directly related to the prices of gold and copper. Historically, the prices of gold and copper have fluctuated widely. The gold and copper prices are affected by numerous factors over which Gold Fields does not have control. The volatility of gold and copper prices is illustrated in the following tables, which show the annual high, low and average of the London afternoon fixing price of gold and the London Metal Exchange (LME) cash settlement price for copper in US Dollar for the past 12 calendar years (2007 to 2018):

	Price per ounce ¹		
	High	Low	Average
Gold			
		(US\$/oz)	
2007	834	607	687
2008	1,011	713	872
2009	1,213	810	972
2010	1,421	1,058	1,224
2011	1,895	1,319	1,571
2012	1,792	1,540	1,669
2013	1,694	1,192	1,409
2014	1,385	1,142	1,266
2015	1,296	1,060	1,167
2016	1,355	1,077	1,250
2017	1,346	1,151	1,257
2018	1,355	1,178	1,269

Source: I-Net

¹ Rounded to the nearest US Dollar.

On 22 March 2019, the London afternoon fixing price of gold was US\$1,311/oz.

	Price per tonne ¹		
	High	Low	Average
Copper		(US\$/t)	
2007	8,301	5,226	7,128
2008	8,985	2,770	6,952
2009	7,346	3,051	5,164
2010	9,740	6,091	7,539
2011	9,986	7,062	8,836
2012	8,658	7,252	7,951
2013	8,243	6,638	7,324
2014	7,440	6,306	6,861
2015	6,401	4,347	5,376
2016	5,936	4,311	4,863
2017	7,216	5,466	6,166
2018	7,263	5,823	6,539

Source: I-Net

¹ Rounded to the nearest US Dollar.

On 22 March 2019, the LME cash settlement price for copper was US\$6,375/t.

As a general rule, Gold Fields sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices and does not enter into hedging arrangements such as forward sales or derivatives which establish a price in advance for the sale of its future gold production. Hedges can be undertaken in one or more of the following circumstances: to protect cash flows at times of significant capital expenditures, for specific debt servicing requirements and to safeguard the viability of higher cost operations. Significant changes in the prices of gold and copper over a sustained period of time may lead Gold Fields to increase or decrease its production in the near-term, which could have a material impact on Gold Fields' revenues.

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Sales of copper concentrate are provisionally priced that is, the selling price is subject to final adjustment at the end of a period normally ranging from 30 to 90 days after delivery to the customer, based on market prices at the relevant quotation points stipulated in the contract.

Revenue on provisionally priced copper concentrate sales is recorded on the date of shipment, net of refining and treatment charges, using the forward LME price to the estimated final pricing date, adjusted for the specific terms of the agreements. Variations between the price used to recognise revenue and the actual final price received can be caused by changes in prevailing copper and gold prices. Changes in the fair value as a result of changes in forward metal prices are classified as provisional price adjustments and included as a component of revenue.

Gold Fields realised gold and copper prices

The following table sets out the average, the high and the low London afternoon fixing price per ounce of gold and Gold Fields average US Dollar realised gold price during the past three years.

Realised gold price¹	2018	2017	2016
Average	1,269	1,257	1,250
High	1,355	1,346	1,355
Low	1,178	1,151	1,077
Gold Fields average realised gold price ²	1,252	1,255	1,241

¹ Prices stated per ounce.

² Gold Fields average realised gold price may differ from the average gold price due to the timing of its sales of gold within each year.

The following table sets out the average, the high and the low LME cash settlement price per tonne for copper and Gold Fields average US Dollar realised copper price for 2016, 2017 and 2018.

Realised copper price¹	2018	2017	2016
--	-------------	------	------

Average	6,539	6,166	4,863
High	7,263	7,216	5,936
Low	5,823	5,466	4,311
Gold Fields average realised copper price			
	6,547	6,131	4,913

¹ Prices stated per tonne.

² Gold Fields average realised copper price may differ from the average copper price due to the timing of its sales of copper within each year.

IFRS 15 REVENUE FROM CONTRACT WITH CUSTOMERS

The Group applied IFRS 15 *Revenue* from contract with customers from 1 January 2018.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods.

Revenue is now recognised when the customer takes control of the gold, copper and silver. The timing of recognition of revenue is no longer when risks and rewards of ownership pass to the customer.

The change in the timing of revenue recognition results in revenue at the South African and Australian operations being recognised on settlement date (when control passes) and not contract date (previous date when risks and rewards of ownership pass to the customer). There is no change to the revenue recognition at any of the other operations given that the date of control is the same date as when risks and rewards of ownership pass.

The Group adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Refer to note 41 for the impact of transitioning to IFRS 15. Accordingly, the information presented for 2017 has not been restated i.e. it is presented, as previously reported, under IAS 18 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

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PRODUCTION

Gold Fields' revenues are primarily driven by its production levels and the price it realises on the sale of gold. Production levels are affected by a number of factors, some of which are described below. Total managed production for the Group (including Asanko) decreased by 5% from 2.233 million ounces in 2017 to 2.108 million ounces in 2018. Total managed production (excluding Asanko) decreased by 8% from 2.233 million ounces in 2017 to 2.063 million ounces in 2018.

LABOUR IMPACT

In recent years, Gold Fields has experienced union activity in some of the countries in which it operates, specifically South Africa and Ghana.

A critical element of delivering safe production is a workforce that is appropriately structured and skilled to achieve the required results. Apart from focused recruitment and training programmes and setting up the right culture at the operations, it also means rightsizing the number of employees and contractors when conditions require this. In early 2018, Gold Fields announced a move by Tarkwa to contractor mining. The restructuring was completed successfully and the contractors started operations on 24 March 2018.

South Deep has a relatively well-educated labour force with a component of skilled and semi-skilled employees who receive remuneration packages that are competitive and highly incentivised. There is also no evidence to date that the Association of Mineworkers and Construction Union (AMCU), which has been responsible for extensive strike action at South Africa's gold and platinum mines, has established a material presence at the mine. The National Union of Mineworkers (NUM) is the dominant union.

South Deep embarked on a restructuring process on 14 August 2018. The prescribed consultation process was concluded on 28 October 2018 culminating in the retrenchment of 1,092 permanent employees and 420 contractors. The majority union, the NUM, obtained a certificate of non-resolution from the Commission for Conciliation, Mediation and Arbitration (CCMA) and issued a notice of intended industrial action on 31 October 2018. The protected industrial action commenced on 2 November 2018 and lasted six weeks. Employees participating in the industrial action blocked all roads to the mine, limiting access and the ability to continue with any mining operations. Production was therefore suspended and essential services continued on an intermittent basis when access was possible. Negotiations with all levels of the union (branch, regional and national) concluded on 18 December 2018 with the signing of a new agreement that ended the industrial action. The mine gradually resumed operations from

15 December 2018. The process had a profound impact on production with the operations suspended for 41 days with a preceding go slow and acts of sabotage as from the announcement of restructuring. It took an additional eight days to start up the underground sections post-15 December 2018.

Over the years, Gold Fields has sought to develop relationships with trade unions that are supportive of the delivery of our business objectives, and the Group remains committed to this engagement.

There were no work stoppages as a result of strikes during 2017 and 2016 at all the Gold Fields operations.

HEALTH AND SAFETY IMPACT

Gold Fields operations are also subject to various health and safety laws and regulations that impose various duties on Gold Fields mines while granting the authorities broad powers to, among other things, close or suspend operations at unsafe mines and order corrective action relating to health and safety matters. Additionally, it is Gold Fields policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. During 2018, Gold Fields operations suffered nine work safety-related stoppages, one related to the fatality in October at South Deep and eight related to unsafe conditions. In South Africa, Gold Fields has actively engaged with the Department of Mineral Resources (DMR) on the protocols applied to safety-related mine closures.

Gold Fields expects that should the above factors continue, production levels in the future will be impacted.

COSTS

Over the last three years, Gold Fields production costs consisted primarily of labour and contractor costs, power, water and consumable stores, which include explosives, diesel fuel, other petroleum products and other consumables. Gold Fields expects that its total costs, particularly the input costs noted above, are likely to continue to increase in the near future driven by general economic trends, market dynamics and other regulatory changes.

In order to counter the effect of increasing costs in the mining industry, the Group rationalised and prioritised capital expenditure without undermining the sustainability of its operations and continued prioritisation of cash generation over production volumes. The Group also undertook further reductions in labour costs.

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Table of Contents**South Africa region**

The Gold Fields South African operation is labour intensive due to the use of deep level underground mining methods. As a result, over the last three fiscal years labour has represented on average 38% of all-in costs (AIC), as defined on page 68, at the South African operation. In 2018, labour represented 36% of AIC at the South African operation.

In 2018, South Deep concluded a three-year wage agreement with organised labour which provides for an annual increase of 7.3%.

At the South African operation, power and water made up on average 8% of AIC over the last three years. In 2018, power and water costs made up 9% of AIC. The National Energy Regulator of South Africa (NERSA) granted Eskom an average five-year increase of 8% over the period 1 April 2013 to 31 March 2017. Although Eskom applied to NERSA for a 19.9% average increase in electricity tariffs for Eskom's 2018 to 2019 financial year, NERSA granted Eskom a 5.23% electricity tariff increase for this period. During 2018, NERSA granted Eskom an additional 4.41% tariff increase adjustment, from the Regulatory Clearing Account (RCA), for 2019/2020. In the same period, Eskom submitted their Multi Year Price Determination (MYPD) application to NERSA for 2018/2019 to 2021/2022 tariff basis, initially requesting 15% for the three years, later revising the application to 17%, 15% and 15% for 2019/2020, 2020/2021 and 2021/2022, respectively. NERSA granted Eskom tariff increases of 9.41%, 8.1% and 5.2%, for financial years 2019/2020, 2020/2021 and 2021/2022, respectively, thus for 2019/2020, the total approved tariff increase is 13.82%. Since December 2018, Eskom has declared load shedding, rising to stage 4 (short of 4,000MW), for the first time since 2010. Since then, the country continued to experience load shedding, albeit reduced to stages 1 and 2. During this period, Eskom burns significant amounts of diesel to run their gas turbines and called on large power users to curtail power demand. In February 2019, the President of South Africa announced the vertical unbundling of Eskom. This unbundling, while maintaining full-state ownership, is expected to result in the separation of Eskom's generation, transmission and distribution functions, which will require legislative and possibly policy reform. Gold Fields expects this process will take time to implement causing continued poor reliability of the supply of electricity, instability in prices and a possible increase in the tariff. Should Gold Fields experience further power tariff increases, its business, operating results and financial condition may be adversely impacted.

West Africa region

In Ghana, Tarkwa and Damang are supplied power by VRA and ECG, respectively. Tarkwa agreed tariffs with VRA with a base tariff of US\$0.17/kWh with effect from 1 January 2015, using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter.

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The average VRA tariff for 2017 was US\$0.167/kWh and for 2018 was US\$0.136/kWh.

The ECG's tariff for the period 1 February 2016 to 31 December 2016 was US\$0.23/kWh, 1 January to 31 December 2017 was US\$0.23/kWh and 1 January to 31 December 2018 was US\$0.21/kWh.

In order to reduce their reliance on power supplied by VRA and ECG, Tarkwa and Damang entered into a power purchasing agreement with independent power producer Genser (the Genser PPA). Under the Genser PPA, Genser agreed to commission a gas power generation facility at Tarkwa and Damang. This power supply has replaced a significant proportion of Tarkwa and Damang's current supply from the VRA and ECG. Genser has installed a 27.5MW power plant comprised 5 units of Centrax gas turbines owned and operated by Genser on the Damang mine, and a 44MW power plant comprised 4 units of Solar Mars (Caterpillar) gas turbines, owned and operated Genser on the Tarkwa mine. Both plants will seek to expand with the inclusion of the steam turbines technology. The fourth turbine was commissioned at Genser's Tarkwa plant in 2018 to bring the installed capacity at the Tarkwa mine to 44MW. Genser operational performance has been good and therefore no periods of downtime are expected. Both the Tarkwa and Damang mines can revert to state-owned utilities for their power supply if needed.

During 2018, Genser started construction of a 77km buried gas pipeline to supply Tarkwa and Damang with natural gas, instead of trucking in liquid petroleum gas (LPG) via national roads. Genser expects to commission the pipeline in 2019.

Power and water costs represented on average 9% of AIC at Tarkwa over the last three years, and 9% of AIC during 2018. Over the last three years, power and water costs represented on average 11% of AIC at Damang with 8% in 2018.

Contractor costs represented on average 10% of AIC at Tarkwa over the last three years, and 20% of AIC during 2018. The increase in 2018 at Tarkwa is due to the transition to contractor mining. Over the last three years, contractor costs represented on average 20% of AIC at Damang with 18% in 2018. Following the restructuring concluded in the first half of 2016 in Damang and first quarter of 2018 for Tarkwa, the direct labour cost has decreased as all mining and development is performed by outside contractors. Direct labour costs represent on average a further 15% of AIC at Tarkwa over the last three years and 12% in 2018. Over the last three years, direct labour costs represented on average 11% at Damang and 8% in 2018.

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Gold Fields' operations in Ghana consume large quantities of diesel fuel for the running of their mining fleet. The cost of diesel fuel is directly related to the oil price and any movement in the oil price will have an impact on the cost of diesel fuel and therefore the cost of running the mining fleet. Over the last three years, fuel costs have represented 12% of AIC at the Ghana operations. In 2018, fuel costs represented 13% of AIC at the Ghana operations. Fuel use is proportionately higher at the Ghana operations than at other operations because open-pit mining in general requires more fuel usage than underground mining and because of the configuration of the Ghana operations, including the scale of certain of the pits and the distances between the pits and the plants.

South American region

At Cerro Corona, contractor costs represented on average 27% of AIC over the last three years and 28% of AIC during 2018. Direct labour costs represent on average a further 19% of AIC over the last three years and 18% in 2018. Power and water made up on average a further 6% of AIC over the last three years and 6% in 2018.

Australia region

At the Australian operations, mining operations were historically conducted by outside contractors. However, at Agnew, owner mining at the underground operations commenced in May 2010, while development is still conducted by outside contractors. At St Ives, owner mining commenced in July 2011 at the underground operations and in July 2012 at the surface operations, but development is still conducted by contractors. Over the last three years, total contractor costs represented on average 21% at St Ives and 35% at Agnew of AIC and direct labour costs represented on average a further 16% at St Ives and 16% at Agnew of AIC. In 2018, contractors and direct labour costs represented 18% and 13% at St Ives and 29% and 14% at Agnew/ Lawlers, respectively. Power and water made up, on average, a further 8% and 5% of AIC over the last three years and 5% and 3% of AIC in 2018 at St Ives and Agnew, respectively. At Granny Smith, mining operations and development are conducted through owner mining. Over the last three years, contractors and direct labour costs represented, on average, 15% and 23%, respectively, at Granny Smith. In 2018, contractors and direct labour costs represented 12% and 20% at Granny Smith. Power and water made up, on average, a further 7% of AIC over the last three years and 6% of AIC in 2018 at Granny Smith.

The remainder of Gold Fields' total costs consists primarily of amortisation and depreciation, exploration costs and selling, administration and general and corporate charges.

ALL-IN SUSTAINING AND ALL-IN COSTS

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The World Gold Council has worked closely with its member companies to develop definitions for all-in sustaining costs (AISC) and AIC. The World Gold Council is not a regulatory industry organisation and does not have the authority to develop accounting standards or disclosure requirements. Gold Fields ceased being a member of the World Gold Council in 2014. AISC and AIC are non-IFRS measures. These non-IFRS measures are intended to provide further transparency into the costs associated with producing and selling an ounce of gold. The new standard was released by the World Gold Council on 27 June 2013. It is expected that these metrics will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. The AISC incorporates costs related to sustaining current production. The AIC include additional costs which relate to the growth of the Group. AISC, as defined by the World Gold Council, are operating costs plus all costs not already included therein relating to sustaining current production, including sustaining capital expenditure. The value of by-product revenues such as silver and copper is deducted from operating costs as it effectively reduces the cost of gold production. AIC starts with AISC and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations.

AISC and AIC are reported on a per ounce of gold basis, net of by-product revenues (as per the World Gold Council definition) as well as on a per ounce of gold equivalent basis, gross of by-product revenues.

An investor should not consider AISC and AIC or operating costs in isolation or as alternatives to operating costs, cash flows from operating activities or any other measure of financial performance presented in accordance with International Financial Reporting Standards (IFRS). AISC and AIC as presented in this Annual Financial Report may not be comparable to other similarly titled measures of performance of other companies.

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The following tables set out a reconciliation of Gold Fields' cost of sales before gold inventory change and amortisation and depreciation, as calculated in accordance with IFRS (refer to the consolidated financial statements), to its AISC and AIC net of by-product revenues per ounce of gold sold for 2018, 2017 and 2016. The following tables also set out AISC and AIC gross of by-product revenue on a gold equivalent ounce basis for 2018, 2017 and 2016.

United States Dollar

AISC and AIC, net of by-product revenue per ounce of gold

For the year ended 31 December 2018

								Total Group including equity accounted	Total Group excluding equity accounted
								joint venture	joint venture
	South	Deep Tarkwa	Damang Asanko ¹	St Ives	Lawlers	Agnew/Granny Smith	Cerro Corona projects	and Corporate	

Figures in millions unless otherwise stated

Cost of sales before gold inventory change and amortisation and depreciation	262.0	298.7	143.5	41.6	200.9	159.7	166.3	160.3	(0.6)	1,432.4	1,390.8
Gold inventory change	9.6	10.1	(19.1)	(4.2)	(14.9)	1.7	1.8	(5.5)		(20.4)	(16.2)
Royalties	1.0	21.2	7.3	2.8	11.6	7.4	8.8	5.1		65.2	62.5
Realised gains or losses on commodity cost hedges		(5.5)	(2.1)		(2.9)	(0.9)	(0.8)			(12.2)	(12.2)
Community/social responsibility costs	1.3	6.7	0.4					6.3		14.6	14.6
Non-cash remuneration (share-based payments)	4.7	6.7	2.1		3.5	2.6	3.1	4.3	10.6	37.5	37.5
Cash remuneration (long-term employee benefits)	0.9		0.2		0.4	0.1	0.3	(0.4)	(0.5)	1.1	1.1
Other ⁶				1.0				1.1	7.9	10.0	9.0
By-product revenue ²	(0.3)	(0.7)	(0.2)	(0.2)	(0.5)	(0.3)	(0.1)	(169.2)		(171.4)	(171.2)
Rehabilitation, amortisation and interest	0.2	5.5	1.3	0.2	4.4	1.5	1.3	3.7		18.1	17.9
Sustaining capital expenditure ³	40.0	156.1	13.5	7.9	127.2	72.8	78.8	33.2	2.2	531.5	523.6
Lease payments					1.4			0.9		2.3	2.3
All-in sustaining costs⁴	319.4	498.9	147.0	49.1	331.0	244.7	259.6	39.8	19.6	1,908.9	1,859.8
Exploration, feasibility and evaluation costs ⁵			0.4						77.8	78.2	78.2
Non-sustaining capital expenditure ³	18.3		125.0	4.9					147.1	295.3	290.4
All-in costs⁴	337.7	498.9	272.3	54.0	331.0	244.7	259.6	39.8	244.6	2,282.3	2,228.3
Gold only ounces sold ('000oz)	167.8	524.9	180.8	45.9	367.0	238.5	280.5	141.0		1,946.4	1,900.5
All-in sustaining costs	319.4	498.9	147.0	49.1	331.0	244.7	259.6	39.8	19.6	1,908.9	1,859.8
All-in sustaining costs net of by-product revenue per ounce of gold sold (US\$/oz)	1,903	951	813	1,069	902	1,026	925	282		981	979
All-in costs	337.7	498.9	272.3	54.0	331.0	244.7	259.6	39.8	244.6	2,282.3	2,228.3
All-in costs net of by-product revenue per ounce of gold sold (US\$)	2,012	951	1,506	1,175	902	1,026	925	282		1,173	1,172

¹ Equity accounted joint venture.

² By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

³ Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure of US\$814.2 million per note 42 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures (or growth capital) represent capital expenditures for major growth projects as well as enhancement

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capital for significant infrastructure improvements at existing operations.

⁴ *This total may not reflect the sum of the line items due to rounding.*

⁵ *Includes exploration, feasibility and evaluation and share of equity accounted losses of Far Southeast Gold Resources Incorporated (FSE).*

⁶ *Other includes offshore structure costs and management fees.*

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United States Dollar

AISC and AIC, gross of by-product revenue per ounce of gold**For the year ended 31 December 2018***Figures in millions unless otherwise stated*

	South Deep	Tarkwa	Damang Asanko ¹	St Ives	Agnew/ Lawlers	Granny Smith	Cerro Corona	and projects	Total Group including equity	Total Group excluding equity	
All-in sustaining costs (per table above)	319.4	498.9	147.0	49.1	331.0	244.7	259.6	39.8	19.6	1,908.9	1,859.8
Add back by-product revenue ²	0.3	0.7	0.2	0.2	0.5	0.3	0.1	169.2		171.4	171.2
All-in sustaining costs gross of by-product revenue³	319.7	499.6	147.2	49.3	331.5	245.0	259.7	209.0	19.6	2,080.3	2,031.0
All-in costs (per table above)	337.7	498.9	272.3	54.0	331.0	244.7	259.6	39.8	244.6	2,282.3	2,228.3
Add back by-product revenue ²	0.3	0.7	0.2	0.2	0.5	0.3	0.1	169.2		171.4	171.2

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All-in costs gross of by-product revenue³	338.0	499.6	272.5	54.2	331.5	245.0	259.7	208.9	244.6	2,453.7	2,399.5
Gold equivalent ounces sold	167.8	524.9	180.8	45.9	367.0	238.5	280.5	299.1		2,104.5	2,058.6
All-in sustaining costs gross of by-product revenue (US\$/equivalent oz)	1,905	952	812	1,073	903	1,027	926	699		988	987
All-in costs gross of by-product revenue (US\$ equivalent oz)	2,014	952	1,506	1,179	903	1,027	926	699		1,166	1,166

¹ Equity accounted joint venture.

² By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

³ This total may not reflect the sum of the line items due to rounding.

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **71****United States Dollar**

AISC and AIC, net of by-product revenue per ounce of gold

For the year ended 31 December 2017

<i>Figures in millions unless otherwise stated</i>	Corporate and Continuing operations										
	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Granny Smith	Cerro Corona			Darlot	Group
Cost of sales before gold inventory change and amortisation and depreciation	306.3	348.0	121.3	187.6	154.9	156.8	151.2	0.4	1,426.5	46.3	1,472.8
Gold inventory change	(1.5)	(42.0)	0.9	(29.0)	(4.5)	3.6	3.1		(69.5)	0.9	(68.6)
Royalties	1.8	21.7	5.5	11.1	7.6	9.0	5.3		62.0	1.1	63.1
Realised gains or losses on commodity cost hedges		(0.8)		(0.3)	(0.1)	(0.1)			(1.3)		(1.3)
Community/social	2.0	11.1	0.4				6.7		20.2		20.2

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responsibility costs											
Non-cash remuneration (share-based payments)	3.5	4.8	1.3	2.2	1.7	2.1	3.6	7.7	26.8	0.6	27.4
Cash remuneration (long-term employee benefits)	0.5	1.1	0.3	0.7	0.5	0.7	0.7	0.5	5.0	0.1	5.1
Other ⁵							1.0	9.8	10.8		10.8
By-product revenue ¹	(0.6)	0.9	(0.1)	(0.6)	(0.3)	(0.1)	(177.8)		(178.6)	(0.1)	(178.7)
Rehabilitation, amortisation and interest	0.2	7.0	0.7	5.5	2.1	1.2	5.8		22.6	0.4	23.0
Sustaining capital expenditure ²	65.5	180.6	17.2	156.2	73.7	87.0	34.0	2.8	617.0	6.8	623.9
All-in sustaining costs³	377.7	532.4	147.5	333.5	235.7	260.1	33.5	21.2	1,938.9	56.1	1,997.8
Exploration, feasibility and evaluation costs ⁴								59.9	59.9		59.9
Non-sustaining capital expenditure ²	16.9		114.9					84.7	216.5		216.5
All-in costs³	394.6	532.4	262.4	333.5	235.7	260.1	33.5	165.8	2,218.1	56.1	2,274.2
Gold only ounces sold ('000oz)	281.8	566.4	143.6	363.9	241.2	290.3	164.7		2,051.9	39.2	2,091.1
All-in sustaining costs	377.7	532.4	147.5	333.5	235.7	260.1	33.5	21.2	1,938.9	56.1	1,997.8
All-in sustaining costs net of by-product revenue per ounce of gold sold (US\$/oz)	1,340	940	1,027	916	977	896	203		945	1,432	955
All-in costs	394.6	532.4	262.4	333.5	235.7	260.1	33.5	165.8	2,218.1	56.1	2,274.2
All-in costs net of by-product revenue per ounce of gold sold (US\$)	1,400	940	1,827	916	977	896	203		1,081	1,432	1,088

¹ By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

² Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure of US\$840.4 million per

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note 42 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital expenditures (or growth capital) represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.

³ *This total may not reflect the sum of the line items due to rounding.*

⁴ *Includes exploration, feasibility and evaluation and share of equity accounted losses of FSE.*

⁵ *Other includes offshore structure costs and management fees.*

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Management's discussion and analysis

of the financial statements (continued)

United States Dollar

AISC and AIC, gross of by-product revenue per ounce of gold

For the year ended 31 December 2017

<i>Figures in millions unless otherwise stated</i>	Corporate and Continuing operations										
	South Deep	Tarkwa	Damang	St Ives	Agnew/Lawlers	Granny Smith	Cerro Corona	other operations	Darlot	Group	
All-in sustaining costs (per table above)	377.7	532.4	147.5	333.5	235.7	260.1	33.5	21.2	1,938.9	56.1	1,997.8
Add back by-product revenue ¹	0.6	(0.9)	0.1	0.6	0.3	0.1	177.8		178.6	0.1	178.7
All-in sustaining costs gross of by-product revenue²	378.3	531.5	147.6	334.1	236.0	260.3	211.3	21.2	2,117.5	56.2	2,176.5
All-in costs (per table above)	394.6	532.4	262.4	333.5	235.7	260.1	33.5	165.8	2,218.1	56.1	2,274.2
Add back by-product revenue ¹	0.6	(0.9)	0.1	0.6	0.3	0.1	177.8		178.6	0.1	178.7
All-in costs gross of by-product revenue²	395.2	531.5	262.5	334.1	236.0	260.3	211.3	165.8	2,396.7	56.2	2,452.9
Gold equivalent ounces sold	281.8	566.4	143.6	363.9	241.2	290.3	313.8		2,201.1	39.2	2,240.2

All-in sustaining costs gross of by-product revenue (US\$/equivalent oz)	1,342	938	1,028	918	978	897	673	962	1,435	972
All-in costs gross of by-product revenue (US\$/equivalent oz)	1,402	938	1,828	918	978	897	673	1,089	1,435	1,095

¹ By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

² This total may not reflect the sum of the line items due to rounding.

AISC and AIC continuing operations

AISC net of by-product revenues (including Asanko) from continuing operations increased by 4% from US\$945 per ounce of gold in 2017 to US\$981 per ounce of gold in 2018, mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. AIC net of by-product revenues (including Asanko) from continuing operations increased by 9% from US\$1,081 per ounce of gold in 2017 to US\$1,173 per ounce of gold in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC net of by-product revenues (excluding Asanko) from continuing operations increased by 4% from US\$945 per ounce of gold in 2017 to US\$979 per ounce of gold in 2018, mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. AIC net of by-product revenues (including Asanko) from continuing operations increased by 8% from US\$1,081 per ounce of gold in 2017 to US\$1,172 per ounce of gold in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC gross of by-product revenues (including Asanko) from continuing operations increased by 3% from US\$962 per ounce of gold in 2017 to US\$988 per ounce of gold in 2018, mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. AIC gross of by-product revenues (including Asanko) from continuing operations increased by 7% from US\$1,089 per ounce of gold in 2017 to US\$1,166 per ounce of gold in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC gross of by-product revenues (excluding Asanko) from continuing operations increased by 3% from US\$962 per ounce of gold in 2017 to US\$987 per ounce of gold in 2018, mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. AIC gross of by-product revenues (excluding Asanko) from continuing operations increased by 7% from US\$1,089 per ounce of gold in 2017 to US\$1,166 per ounce of gold in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **73****United States Dollar**

AISC and AIC, net of by-product revenue per ounce of gold

For the year ended 31 December 2016

<i>Figures in millions unless otherwise stated</i>	South Deep	Tarkwa	Damang	St Ives	Agnew/ Lawlers	Granny Smith	Cerro Corona	Corporate and Continuing other operations	Darlot	Group	
Cost of sales before gold inventory change and amortisation and depreciation	272.3	344.7	136.4	192.8	145.7	141.1	143.7	(1.1)	1,375.7	57.3	1,433.0
Gold inventory change	(0.7)	(17.5)	(0.4)	(11.0)	(5.1)	(7.4)	(3.8)		(45.9)	0.4	(45.5)
Royalties	1.8	35.4	9.2	11.5	7.1	8.8	4.6		78.4	2.0	80.4
Realised gains or losses on commodity cost hedges				0.6	0.2	0.7			1.6	0.1	1.6
Community/social responsibility costs	1.2	5.1	0.3				8.7		15.3		15.3

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Non-cash remuneration (share-based payments)	2.3	2.5	0.3	1.5	0.8	0.9	2.0	3.6	13.9	0.4	14.4
Cash remuneration (long-term employee benefits)	2.4	3.0	0.8	0.9	0.9	1.0	1.8	(0.5)	10.4	0.6	11.0
Other ⁵							0.9	11.9	12.8		12.8
By-product revenue ²	(0.5)	(1.5)	(0.1)	(0.8)	(0.2)	(0.1)	(130.6)		(133.8)	(0.3)	(134.1)
Rehabilitation, amortisation and interest	0.4	4.8	0.7	8.9	3.2	1.4	3.9		23.3	0.2	23.5
Sustaining capital expenditure ³	70.1	168.4	37.9	140.0	70.0	90.3	42.8		619.4	21.4	640.8
All-in sustaining costs¹	349.3	545.0	185.2	344.3	222.5	236.7	74.4	13.9	1,971.0	82.3	2,053.6
Exploration, feasibility and evaluation costs ⁴									47.1	47.1	47.1
Non-sustaining capital expenditure ³	7.8								1.3	9.1	9.1
All-in costs¹	357.1	545.0	185.2	344.3	222.5	236.7	74.4	62.0	2,027.2	82.3	2,109.4
Gold only ounces sold (000oz)	289.4	568.1	147.7	362.9	229.3	283.8	149.1		2,030.2	66.4	2,096.8
All-in sustaining costs	349.3	545.0	185.2	344.3	222.5	236.7	74.0	13.9	1,971.0	82.3	2,053.6
All-in sustaining costs net of by-product revenue per ounce of gold sold (US\$/oz)	1,207	959	1,254	949	971	834	499		972	1,238	980
All-in costs	357.1	545.0	185.2	344.3	222.5	236.7	74.0	62.0	2,027.2	82.3	2,109.4
All-in costs net of by-product revenue per ounce of gold sold (US\$)	1,234	959	1,254	949	971	834	499		998	1,238	1,006

¹ This total may not reflect the sum of the line items due to rounding.

² By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

³ Sustaining capital expenditure represents the majority of capital expenditures at existing operations, including underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures at existing operations and is calculated as total capital expenditure of US\$649.9 million per note 42 to the consolidated financial statements, less non-sustaining capital expenditures. Non-sustaining capital

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expenditures (or growth capital) represent capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations.

⁴ *Includes exploration, feasibility and evaluation and share of equity accounted losses of FSE.*

⁵ *Other includes offshore structure costs and management fees.*

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Management's discussion and analysis

of the financial statements (continued)

United States Dollar

AISC and AIC, gross of by-product revenue per ounce of gold

For the year ended 31 December 2016

<i>Figures in millions unless otherwise stated</i>	Corporate										
	South Deep	Tarkwa	Damang	St Ives	Agnew/Lawlers	Granny Smith	Cerro Corona	and other operations	Continuing operations	Darlot	Group
All-in sustaining costs (per table above)	349.3	545.0	185.2	344.3	222.5	236.7	74.4	13.9	1,971.0	82.3	2,053.6
Add back by-product revenue ²	0.5	1.5	0.1	0.8	0.2	0.1	130.6		133.8	0.3	134.1
All-in sustaining costs gross of by-product revenue	349.8	546.5	185.2	345.1	222.8	236.8	205.0	13.9	2,104.8	82.5	2,187.7
All-in costs (per table above)	357.1	545.0	185.2	344.3	222.5	236.7	74.4	61.5	2,027.1	82.3	2,109.5
Add back by-product revenue ²	0.5	1.5	0.1	0.8	0.2	0.1	130.6		133.8	0.3	134.1
All-in costs gross of by-product revenue	357.6	546.5	185.2	345.1	222.8	236.8	205.0	61.5	2,161.0	82.5	2,243.6
Gold equivalent ounces sold	289.4	568.1	147.7	362.9	229.3	283.8	268.9		2,150.0	66.4	2,216.4

**All-in sustaining costs
gross of by-product
revenue**

(US\$/equivalent oz)	1,209	962	1,254	951	972	834	762	979	1,243	987
All-in costs gross of by-product revenue										
(US\$/equivalent oz)	1,236	962	1,254	951	972	834	762	1,005	1,243	1,012

¹ This total may not reflect the sum of the line items due to rounding.

² By-product revenue at Cerro Corona relates to copper. For all the other operations, by-product revenue relates to silver.

AISC and AIC (Group) continuing and discontinued operations

AISC net of by-product revenues for the Group decreased by 3% from US\$980 per ounce of gold in 2016 to US\$955 per ounce of gold in 2017, mainly due to a higher gold inventory credit, higher by-product credits, lower royalties and lower sustaining capital expenditure partially offset by higher cost of sales before gold inventory change and amortisation and depreciation and lower gold sold. AIC net of by-product revenues for the Group, increased by 8% from US\$1,006 per ounce of gold in 2016 to US\$1,088 per ounce of gold in 2017 due to higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC gross of by-product revenues for the Group decreased by 2% from US\$987 per equivalent ounce of gold in 2016 to US\$972 per equivalent ounce of gold in 2017 mainly due to a higher gold inventory credit, lower royalties and lower sustaining capital expenditure, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation and lower gold sold. AIC gross of by-product revenues for the Group increased by 8% from US\$1,012 per equivalent ounce of gold in 2016 to US\$1,095 per equivalent ounce of gold in 2017, for the same reasons as AISC gross of by-product revenues.

AISC and AIC continuing operations

AISC net of by-product revenues from continuing operations decreased by 3% from US\$972 per ounce of gold in 2016 to US\$945 per ounce of gold in 2017, mainly due to higher by-product credits, lower royalties, a higher gold inventory credit, higher gold sold and lower sustaining capital expenditure, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation. AIC net of by-product revenues from continuing operations increased by 8% from US\$998 per ounce of gold in 2016 to US\$1,081 per ounce of gold in 2017 due to higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC gross of by-product revenues from continuing operations decreased by 2% from US\$979 per equivalent ounce of gold in 2016 to US\$962 per equivalent ounce of gold in 2017 mainly due to lower royalties, a higher gold inventory credit, higher gold sold and lower sustaining capital expenditure, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation. AIC gross of by-product revenues from continuing operations increased by 8% from US\$1,005 per equivalent ounce of gold in 2016 to US\$1,089 per equivalent ounce of gold in 2017, for the same reasons as AISC gross of by-product revenues due to higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC and AIC discontinued operation

AISC and AIC net of by-product revenues from discontinued operation, Darlot increased by 16% from US\$1,238 per ounce of gold for the 12 months to December 2016 to US\$1,432 per ounce of gold for the nine months to September 2017 due to lower gold sold and a higher gold inventory charge to costs, partially offset by lower cost of sales before gold inventory change and amortisation and depreciation and lower capital expenditure.

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AISC and AIC gross of by-product revenues from discontinued operation, Darlot increased by 15% from US\$1,243 per equivalent ounce of gold for the 12 months to December 2016 to US\$1,435 per equivalent ounce of gold for the nine months to September 2017 due to lower gold sold and a higher gold inventory charge to costs, partially offset by lower cost of sales before gold inventory change and amortisation and depreciation and lower capital expenditure.

Adjusted free cash flow and adjusted free cash flow margin (free cash flow or free cash flow margin)

Adjusted free cash flow under the existing LTIP scheme is defined as AIC adjusted for non-cash share-based payments, non-cash long-term employee benefits, exploration, feasibility and evaluation costs outside of existing operations, non-sustaining capital expenditure for growth projects only, realised gains or losses on revenue hedges and taxation paid (excluding royalties).

Adjusted free cash flow margin under the existing LTIP scheme is adjusted free cash flow divided by revenue adjusted for by-product revenue.

The adjusted FCF margin is calculated as follows:

Figures in millions unless otherwise stated

	2018	2017	2016
Revenue ¹	2,406.6	2,632.1	2,615.4
Less: Cash outflow	(2,032.6)	(2,214.9)	(2,177.8)
AIC ²	(2,228.3)	(2,274.2)	(2,109.4)
<i>Adjusted for:</i>			
Share-based payments ³	37.5	27.4	14.4
Long-term employee benefits ³	1.1	5.1	11.0
Exploration outside of existing operations ²	78.2	59.9	47.1
Non-sustaining capital expenditure ⁴	272.1	196.0	
Revenue hedge ⁵	41.7	12.8	14.3
Long-term employee benefits payment	(17.8)		
Tax paid from continuing and discontinued operations	(217.1)	(241.9)	(155.2)

Adjusted FCF	374.0	417.2	437.6
Adjusted FCF margin ⁶	16%	16%	17%

¹ Revenue from continuing and discontinued operations less revenue from by-product revenue per AIC calculation (pages 68 to 75), being US\$2,577.8 million less US\$171.2 million, US\$2,810.8 million less US\$178.7 million and US\$2,749.5 million less US\$134.1 million, for 2018, 2017 and 2016, respectively.

² Per AIC calculation in management discussion and analysis (per pages 68 to 75).

³ Per note 42 of the consolidated financial statements.

⁴ Includes non-sustaining capital expenditure for growth projects only at Damang and Gruyere.

⁵ Represents realised hedges on revenue only, excludes unrealised revenue hedges as well as non-revenue hedges.

⁶ Non-IFRS measures such as adjusted free cash flow margin is the responsibility of the Group's Board of Directors and is presented for illustration purposes only and because of its nature, adjusted free cash flow margin should not be considered a representation of earnings. The adjusted free cash flow margin is used as a key metric in the determination of the long-term incentive plan (LTIP).

ROYALTIES

South Africa

The Royalty Act was promulgated on 24 November 2008 and came into operation on 1 March 2010. The Royalty Act imposes a royalty on refined and unrefined minerals payable to the South African government.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes (EBIT), as defined by the Royalty Act, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% is levied on refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5%. A maximum royalty of 7% is levied on unrefined minerals.

Where unrefined mineral resources (such as uranium) constitute less than 10% in value of the total composite mineral resources, the royalty rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of EBIT for each class of mineral resources is not required. For Gold Fields, this means that currently it will pay a royalty based on the refined minerals royalty calculation as applied to its gross revenue. The rate of royalty tax payable for 2018, 2017 and 2016 was 0.5% of revenue.

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Management's discussion and analysis

of the financial statements (continued)

Ghana

Minerals are owned by the Republic of Ghana and held in trust by the President. From March 2016, under the terms of the Development Agreement (DA) entered into with the government of Ghana, Tarkwa and Damang have been subject to a sliding scale for royalty rates, linked to the prevailing gold price. The royalty sliding scale is as follows:

Average gold price		Royalty rate
Low value	High value	
US\$0.00	US\$1,299.99	3.0%
US\$1,300.00	US\$1,449.99	3.5%
US\$1,450.00	US\$2,299.99	4.1%
US\$2,300.00	Unlimited	5.0%

The rate of royalty tax payable for 2018 and 2017 based on the above sliding scale was 3% on revenue. During 2016, the Ghanaian operations were subject to a 5% gold royalty on revenue. Asanko does not have a DA with the government and was subject to a 5% royalty tax rate for 2018.

Australia

Royalties are payable to the state based on the amount of gold produced from a mining tenement. Royalties are payable quarterly at a fixed rate of 2.5% of the royalty value of gold sold. The royalty value of gold is the amount of gold produced during the month multiplied by the average gold spot price for the month.

Peru

Royalties are calculated with reference to the operating margin and ranging from 1% (for operating margins less than 10%) to 12% (for operating margins of more than 80%), or 1% of revenue, the highest of both amounts. Cerro Corona's effective royalty rate for 2018, 2017 and 2016 was 4.0%, 4.6% and 6.4% of operating profit, respectively.

INCOME AND MINING TAXES

Gold Fields tax strategy and policy

The Gold Fields tax strategy is to proactively manage its tax obligations in a transparent, responsible and sustainable manner, acknowledging the differing interests of all stakeholders.

Gold Fields has invested and allocated appropriate resources in the Group tax department to ensure compliance with global tax obligations. 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.

Gold Fields has appropriate controls and procedures in place to ensure compliance with relevant tax legislation in all the jurisdictions in which it operates. This includes compliance with Transfer Pricing (TP) legislation and associated TP documentation requirements, which is governed by the Group TP policy. The 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 IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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). Therefore, tax avoidance on passive income or capital gains cannot be achieved by shifting such passive income to low or tax haven jurisdictions. The active business income from mining is taxed at source in the relevant jurisdiction where the mining operations are located.

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 (or gold-equivalent) spot price.

The Group has reported its key financial figures on a country-by-country basis from 2017 as required by the South African Revenue Service (SARS), such requirement being aligned with OECD guidelines. The country-by-country reports are filed with SARS, which will exchange the information with all the relevant jurisdictions with which it has concluded or negotiated exchange of information agreements.

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Generally, South Africa imposes tax on the worldwide income (including capital gains) of all of Gold Fields' South African incorporated and tax resident entities. Certain classes of passive income such as interest and royalties, and certain capital gains, derived by Controlled Foreign Companies (CFC) could be subject to South African tax on a notional imputation basis. CFC s generally constitute a foreign company in which Gold Fields owns or controls more than 50% of the shareholding.

Gold Fields pays taxes on its taxable income generated by its mining and non-mining tax entities. Under South African law, gold mining companies and non-gold mining companies are taxed at different rates. Companies in the Group not carrying on direct gold mining operations are taxed at a statutory rate of 28%.

Gold Fields Operations Limited (GFO), and GFI Joint Venture Holdings Proprietary Limited (GFIJVH), jointly own the South Deep mine and constitute gold mining companies for South African taxation purposes. These companies are subject to the gold formula on their mining income.

The applicable formula takes the form $Y = 34 - 170/x$

Where:

Y = the tax rate to be determined

x = the ratio of taxable income to the total income (expressed as a percentage)

The effective mining tax rate for GFO and GFIJVH, owners of the South Deep mine, has been calculated at 29% (2016: 30% and 2015: 30%).

Ghana

Ghanaian resident entities are subject to tax on a source basis where income has a source in Ghana, if it accrues in or is derived from Ghana. Under the terms of the Development Agreement (DA) entered into with the government of Ghana, Tarkwa and Damang are liable to a 32.5% corporate income tax rate. Asanko does not have a DA with the government and is subject to a 35% corporate income tax rate.

Dividends paid by Tarkwa and Damang are subject to an 8% withholding tax rate.

Tarkwa and Damang are allowed to deduct 20% on a straight-line basis for capital allowances on depreciable assets (i.e. over five years). Any capital allowances which are not utilised in a particular year are added to operating losses (if any), thereby increasing operating losses and then carried forward for five years. Any operating losses carried forward are extinguished if not utilised within five years.

The Revenue Administration Act, 2016 (Act 915) became effective on 1 January 2017. Act 915 consolidates the tax administration provisions from the various tax laws (income tax, value added tax, customs) into a single Act and introduces a more stringent tax compliance framework. Act 915 enables taxpayers to offset surpluses and liabilities arising from different tax types. It should be noted that the tax authorities are again expected to release guidance notes to allow taxpayers to fully utilise the offset mechanism.

Australia

Generally, Australia imposes tax on the worldwide income (including capital gains) of all of Gold Fields Australian incorporated and tax resident entities. The current income tax rate for companies is 30%. Exploration expenditure is deductible in full as incurred and other capital expenditure is generally deductible over the effective lives of the assets acquired. The Australian Uniform Capital Allowance system allows tax deductions for the decline in value of depreciable assets and certain other capital expenditures.

Gold Fields Australia and its eligible related Australian sister companies, together with all wholly owned Australian subsidiaries, have elected to be treated as a tax consolidated group for taxation purposes. As a tax consolidated group, a single tax return is lodged for the Group based on the consolidated results of all companies within the Group.

Withholding tax is payable on dividends, interest and royalties paid by Australian residents to non-residents. In the case of dividend payments to non-residents, withholding tax at a rate of 30% will apply. However, where the recipient of the dividend is a resident of a country with which Australia has concluded a double taxation agreement, the rate of withholding tax is generally limited to between 5% and 15%, depending on the applicable agreement and percentage shareholding. Where dividends are paid out of profits that have been subject to Australian corporate tax there is no withholding tax, regardless of whether a double taxation agreement is in place.

Peru

Peruvian taxes for resident individuals and domiciled corporations are based on their worldwide income, and for non-resident individuals and non-domiciled corporations are based on their Peruvian income source. The general income tax rate applicable to domiciled corporations is 29.5% on taxable income and to non-resident corporations is 30%. The income tax applied to interest paid to non-residents is 4.99%. The dividends tax rate (to residents and non-residents) is 5%. Capital gains are also taxed as ordinary income for domiciled corporations.

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EXCHANGE RATES

Gold Fields' Australian and South African revenues and costs are very sensitive to the Australian Dollar/US Dollar exchange rate and the Rand/US Dollar exchange rate, because revenues are generated using a gold price denominated in US Dollar, while the costs of the Australian and South African operations are incurred principally in Australian Dollar and Rand, respectively. Depreciation of the Australian Dollar and Rand against the US Dollar reduces Gold Fields' average costs when they are translated into US Dollar, thereby increasing the operating margin of the Australian and South African operations. Conversely, appreciation of the Australian Dollar and Rand results in Australian and South African operating costs being translated into US Dollar at a lower Australian Dollar/US Dollar exchange rate and Rand/US Dollar exchange rate, resulting in higher costs in US Dollar terms and in lower operating margins. The impact on profitability of any change in the value of the Australian Dollar and Rand against the US Dollar can be substantial. Furthermore, the exchange rates obtained when converting US Dollar to Australian Dollar and Rand are set by foreign exchange markets, over which Gold Fields has no control. In 2018, the Rand strengthened by 1% against the US Dollar, from an average of R13.33 per US\$1.00 in 2017 to R13.20 per US\$1.00 in 2018. The Australian Dollar weakened by 3% at an average of A\$1.00 per US\$0.77 in 2017 to US\$1.00 per US\$0.75 in 2018.

With respect to its operations in Ghana and Peru, a substantial portion of Gold Fields' operating costs (including wages) are either directly incurred in US Dollar or are translated to US Dollar. Accordingly, fluctuations in the Ghanaian Cedi and Peruvian Nuevo Soles do not materially impact operating results for the Ghana and Peru operations.

During 2018, Gold Fields entered into the following currency forward contracts:

In May 2018, the Australian operations entered into Australian Dollar/US Dollar average rate forwards for a total notional US\$96 million for the period January 2019 to December 2019 at an average strike price of 0.7517. In June 2018, further hedges were taken out for a total notional US\$60 million for the same period January 2019 to December 2019 at an average strike of 0.7330. In September 2018, further hedges were taken out for a total notional US\$100 million for the same period January 2019 to December 2019 at an average strike of 0.7182. In October 2018, further hedges were taken out for the period January 2019 to December 2019 for a notional US\$60 million at an average strike of 0.7075. In December 2018, further hedges were taken out for the period January 2019 to December 2019 for a notional US\$50 million at an average strike of 0.715.

During 2017, Gold Fields had no currency forward contracts.

During 2016, Gold Fields had the following currency forward contract:

On 25 February 2016, South Deep entered into US Dollar/Rand forward exchange contracts for a total delivery of US\$69.8 million starting from July 2016 to December 2016. The average forward rate achieved over the six-month period was R16.8273. The hedge was delivered into in July and August and the balance closed out in September 2016. The average rate achieved on delivery and close out was R13.8010, resulting in a positive cash flow of US\$14 million.

INFLATION

A period of significant inflation could adversely affect Gold Fields' results and financial condition. Further, over the past several years, production costs, especially wages and electricity costs, have increased considerably. The effect of these increases has adversely affected, and may continue to adversely affect, the profitability of Gold Fields' South Deep operations.

To ensure sustainability and free cash flow generation, reinvesting in and upgrading the Gold Fields portfolio is essential. To achieve this, Gold Fields embarked on a period of reinvestment in 2017 and the process continued in 2018. Given the high levels of capital expenditure, the Group undertook short-term tactical hedging. For further details, refer pages 86 and 87.

The Group continued rationalising and prioritising capital expenditure without undermining the sustainability of its operations and continued prioritisation of cash generation over production volumes. The Group undertook reductions in labour costs through a retrenchment process in Damang in preparation for rightsizing the Damang reinvestment plan in 2017. In 2018, Tarkwa transitioned from owner mining to contractor mining in an attempt to address cost inflation in the region. In addition, the Australian operations implemented a margin improvement project.

Further, the majority of Gold Fields' costs at the South African operations are in Rand and revenues from gold sales are in US Dollar. Generally, when inflation is high, the Rand potentially devalues thereby increasing Rand revenues and potentially offsetting the increase in costs. However, there can be no guarantee that any cost-saving measures or the effects of any potential devaluation will offset the effects of increased inflation and production costs.

The same applies to the Australian operations with regard to the link between the Australian Dollar and US Dollar. The Peruvian and Ghanaian operations, on the other hand, are affected by inflation without a potential similar effect on revenue proceeds, thereby increasing the impact of inflation on the operating margins.

CAPITAL EXPENDITURES

Gold Fields will continue to be required to make capital investments in both new and existing infrastructure and opportunities and, therefore, management will be required to continue to balance the demands for capital expenditure in the business and allocate Gold Fields' resources in a focused manner to achieve its sustainable growth objectives. Gold Fields expects that its use of available capital resources and allocation of its capital expenditures may shift in future periods as it increases investment in certain of its exploration projects.

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Capital expenditure for the Group (excluding Asanko) decreased by 2%, from US\$834 million in 2017 to US\$814 million in 2018. Set out below are the capital expenditures made by Gold Fields during 2018. Also, refer to Cash flows from investing activities section.

Continuing operations

Capital expenditure from continuing operations (excluding Asanko) decreased by 2%, from US\$834 million in 2017 (comprising sustaining capital expenditure of US\$617 million and growth capital expenditure of US\$217 million) to US\$814 million in 2018 (comprising sustaining capital expenditure of US\$524 million and growth capital expenditure of US\$290 million).

The growth capital expenditure of US\$290 million in 2018 comprised South Deep of R242 million (US\$18 million), Damang of US\$125 million, Gruyere of A\$180 million (US\$134 million) and other growth capital expenditure of US\$13 million. The growth capital expenditure of US\$217 million in 2017 comprised South Deep of R225 million (US\$17 million), Damang of US\$115 million, Gruyere of A\$106 million (US\$81 million) and other growth capital expenditure of US\$4 million.

South African operation

Gold Fields spent R770 million (US\$58 million) on capital expenditure at South Deep in 2018 and has budgeted approximately R490 million (US\$36 million) for capital expenditure at South Deep in 2019. The capital expenditure of R770 million (US\$58 million) in 2018 comprised sustaining capital expenditure of R528 million (US\$40 million) and growth capital expenditure of R242 million (US\$18 million). The budgeted capital expenditure of R490 million (US\$36 million) comprises sustaining capital expenditure of R490 million (US\$36 million) and growth capital expenditure of Rnil (US\$nil).

Ghanaian operations

Gold Fields spent US\$156 million on capital expenditure at Tarkwa in 2018 and has budgeted US\$113 million for capital expenditure at Tarkwa for 2019. The total spend relates to sustaining capital expenditure.

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Gold Fields spent US\$139 million on capital expenditure at Damang in 2018 and has budgeted US\$75 million of capital expenditure at Damang for 2019. The expenditure of US\$139 million in 2018 comprised sustaining capital expenditure of US\$14 million and growth capital expenditure of US\$125 million. The budgeted capital expenditure of US\$75 million comprises sustaining capital expenditure of US\$6 million and growth capital expenditure of US\$69 million.

Gold Fields spent US\$13 million on capital expenditure at Asanko for five months in 2018 and has budgeted US\$25 million of capital expenditure at Asanko for 2019. The capital expenditure of US\$13 million in 2018 comprised sustaining capital expenditure of US\$8 million and growth capital expenditure of US\$5 million. The budgeted capital expenditure of US\$25 million comprises sustaining capital expenditure of US\$7 million and growth capital expenditure of US\$18 million.

Peruvian operation

Gold Fields spent US\$33 million on capital expenditure at Cerro Corona in 2018 and has budgeted US\$55 million for capital expenditure at Cerro Corona for 2019. The total spend relates to sustaining capital expenditure.

Australian operations

Gold Fields spent A\$170 million (US\$127 million) on capital expenditure at St Ives in 2018 and has budgeted A\$156 million (US\$117 million) for capital expenditure at St Ives in 2019. The total spend relates to sustaining capital expenditure.

Gold Fields spent A\$98 million (US\$73 million) on capital expenditure at Agnew/Lawlers in 2018 and has budgeted A\$98 million (US\$74 million) for capital expenditure at Agnew/Lawlers for 2019. The total spend relates to sustaining capital expenditure.

Gold Fields spent A\$105 million (US\$79 million) on capital expenditure at Granny Smith in 2018 and has budgeted A\$107 million (US\$80 million) for capital expenditure at Granny Smith for 2019. The total spend relates to sustaining capital expenditure.

Gold Fields spent A\$180 million (US\$134 million) on capital expenditure at the Gruyere Gold project in 2018 and has budgeted A\$112 million (US\$83 million) for capital expenditure for 2019. The total spend in 2018 relates to growth capital expenditure. The budgeted capital expenditure of A\$112 million (US\$83 million) comprises sustaining capital expenditure of A\$13 million (US\$9 million) and growth capital of A\$99 million (US\$74 million).

Discontinued operation

Capital expenditure spend at the discontinued operation, Darlot, was A\$9 million (US\$7 million) in the nine months to September 2017.

The actual capital expenditure for the future periods noted above may be different from the amounts set out above and the amount of actual capital expenditure will depend on a number of factors, such as production volumes, the price of gold, copper and other minerals mined by Gold Fields and general economic conditions. Some of the factors are outside of the control of Gold Fields.

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SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Gold Fields' significant accounting policies are more fully described in the accounting policies to its consolidated financial statements included in this Annual Financial Report. Some of Gold Fields' accounting policies require the application of significant judgements and estimates by management that can affect the amounts reported in the consolidated financial statements. By their nature, these judgements are subject to a degree of uncertainty and are based on Gold Fields' historical experience, terms of existing contracts, management's view on trends in the gold mining industry, information from outside sources and other assumptions that Gold Fields considers to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. Refer to the accounting policies, pages 129 to 149, to the consolidated financial statements included elsewhere in this Annual Financial Report for the more significant areas requiring the use of management judgements and estimates.

RESULTS FOR THE PERIOD YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

Loss attributable to owners of the parent for the Group was US\$348 million (or US\$0.42 per share) for 2018 compared to US\$19 million (or US\$0.02 per share) for 2017.

Loss attributable to owners of the parent for continuing operations was US\$348 million (or US\$0.42 per share) for 2018 compared to US\$32 million (or US\$0.04 per share) for 2017.

Profit attributable to discontinued operation, Darlot, was US\$nil for 2018 compared to US\$13 million (or US\$0.02 per share) for 2017.

The reasons for this increase in loss are discussed below.

CONTINUING OPERATIONS

Revenue

Revenue from continuing operations decreased by 7% from US\$2,762 million in 2017 to US\$2,578 million in 2018. The decrease in revenue of US\$184 million was due to lower ounces sold.

The average US Dollar gold price achieved by the Group decreased marginally from US\$1,255 per equivalent ounce in 2017 to US\$1,252 per equivalent ounce in 2018. The average Rand gold price decreased by 1% from R538,344 per

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kilogram to R531,253 per kilogram. The average Australian Dollar gold price increased by 3% from A\$1,640 per ounce to A\$1,694 per ounce. The average US Dollar gold price for the Ghanaian operations (including Asanko) increased by 1% from US\$1,255 per ounce in 2017 to US\$1,265 per ounce in 2018 and the average US Dollar gold price for the Ghanaian operations (excluding Asanko) increased by 1% from US\$1,255 per ounce in 2017 to US\$1,270 per ounce in 2018. The average equivalent US Dollar gold price, net of treatment and refining charges, for Cerro Corona decreased by 6% from US\$1,252 per equivalent ounce in 2017 to US\$1,174 per equivalent ounce in 2018. The average US Dollar/Rand exchange rate strengthened by 1% from R13.33 in 2017 to R13.20 in 2018. The average Australian/US Dollar exchange rate weakened by 3% from A\$1.00 = US\$0.77 in 2017 to A\$1.00 = US\$0.75 in 2018.

Gold sales from continuing operations (excluding Asanko) decreased by 6% from 2,201,100 equivalent ounces in 2017 to 2,058,600 equivalent ounces in 2018. Gold sales at the South African operation decreased by 40% from 8,766 kilograms (281,800 ounces) in 2017 to 5,220 kilograms (167,800 ounces) in 2018. Gold sales at the Ghanaian operations (excluding Asanko) decreased by 1% from 710,000 ounces in 2017 to 705,700 ounces in 2018. Gold equivalent sales at the Peruvian operation (Cerro Corona) decreased by 5% from 313,800 equivalent ounces in 2017 to 299,100 equivalent ounces in 2018. At the Australian operations, gold sales decreased by 1% from 895,400 ounces in 2017 to 885,900 ounces in 2018. As a general rule, Gold Fields sells all the gold it produces.

	2018			2017		
	Revenue US\$ million	Gold sold (000oz)	Gold produced (000oz)	Revenue US\$ million	Gold sold (000oz)	Gold produced (000oz)
South Deep	210.1	167.8	157.1	354.1	281.8	281.3
Tarkwa	666.9	524.9	524.9	710.8	566.4	566.4
Damang	229.0	180.8	180.8	180.3	143.6	143.6
Asanko ¹	54.9	45.9	44.5			
Cerro Corona	351.0	299.1	314.1	392.9	313.8	306.7
St Ives	464.7	367.0	366.9	457.3	363.9	363.9
Agnew/Lawlers	301.1	238.5	239.1	302.6	241.2	241.2
Granny Smith	355.0	280.5	280.4	363.8	290.3	290.3
Continuing operations (including Asanko)	2,632.7	2,104.5	2,107.8	2,761.8	2,201.1	2,193.3
Continuing operations (excluding Asanko)	2,577.8	2,058.6	2,063.2	2,761.8	2,201.1	2,193.3

¹ Equity accounted joint venture. Included above for information only, not included in revenue for the Group.

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At South Deep in South Africa, gold sales decreased by 40% from 8,766 kilograms (281,800 ounces) in 2017 to 5,220 kilograms (167,800 ounces) in 2018 due to decreased volumes and grades. This was mainly due to the industrial action, the restructuring process as well as the fatal accident, further exacerbated by poor ground conditions in the high grade areas of the mine.

At the Ghanaian operations, gold sales at Tarkwa decreased by 7% from 566,400 ounces in 2017 to 524,900 ounces in 2018 due to lower volumes mined in line with the 2018 planned strategy to reduce mining and optimise margins and cash flow. Damang's gold sales increased by 26% from 143,600 ounces in 2017 to 180,800 ounces in 2018 mainly due to higher head grade and yield. Gold sales at Asanko amounted to 45,900 ounces for the five months ended December 2018 (Asanko is an equity accounted joint venture and not included in the Group or Ghanaian operations figures).

At Cerro Corona in Peru, copper sales increased by 1% from 30,377 tonnes in 2017 to 30,742 tonnes in 2018 mainly due to higher copper production as a result of higher copper head grade. Gold sales decreased by 14% from 164,715 ounces in 2017 to 141,041 ounces in 2018 due to lower gold production and timing of shipments. Gold equivalent sales decreased by 5% from 313,800 ounces in 2017 to 299,100 ounces in 2018 as a result of lower gold sold and higher copper price relative to the gold price (price factor).

At the Australian operations, gold sales at St Ives increased by 1% marginally from 363,900 ounces in 2017 to 367,000 ounces in 2018. At Agnew/Lawlers, gold sales decreased by 1% from 241,200 ounces in 2017 to 238,500 ounces in 2018 mainly due to decreased ore processed. At Granny Smith, gold sales decreased by 3% from 290,300 ounces in 2017 to 280,500 ounces in 2018 due to lower grades mined.

Cost of sales

Cost of sales, which comprises cost of sales before gold inventory change and amortisation and depreciation, gold inventory change and amortisation and depreciation, decreased by 3% from US\$2,105 million in 2017 to US\$2,043 million in 2018. The reasons for this decrease are described below.

Cost of sales before gold inventory change and amortisation and depreciation

Cost of sales before gold inventory change and amortisation and depreciation from continuing operations decreased by 3% from US\$1,427 million in 2017 to US\$1,391 million in 2018.

At South Deep in South Africa, cost of sales before gold inventory change and amortisation and depreciation decreased by 15% from R4,083 million (US\$306 million) in 2017 to R3,459 million (US\$262 million) in 2018. This decrease of R624 million was mainly due to lower production exacerbated by the industrial action, lower expenditure on consumables, contractors, labour and utility costs.

At the Ghanaian operations (excluding Asanko), cost of sales before gold inventory change and amortisation and depreciation decreased by 6% from US\$469 million in 2017 to US\$442 million in 2018. At Tarkwa, cost of sales before gold inventory change and amortisation and depreciation decreased by 14% from US\$348 million in 2017 to US\$299 million in 2018 due to lower mining costs in line with lower operational tonnes mined. At Damang, cost of sales before gold inventory change and amortisation and depreciation increased by 19% from US\$121 million in 2017 to US\$144 million in 2018 mainly due to higher operating tonnes mined. Cost of sales before gold inventory change and amortisation and depreciation at Asanko amounted to US\$42 million for the five months ended December 2018 (Asanko is an equity accounted joint venture and not included in the Group or Ghanaian regional figures).

At Cerro Corona in Peru, cost of sales before gold inventory change and amortisation and depreciation increased by 6% from US\$151 million in 2017 to US\$160 million in 2018, mainly due to higher tonnes mined in 2018.

At the Australian operations, cost of sales before gold inventory change and amortisation and depreciation increased by 8% from A\$653 million (US\$499 million) in 2017 to A\$705 million (US\$527 million) in 2018. At St Ives, cost of sales before gold inventory change and amortisation and depreciation increased by 10% from A\$245 million (US\$188 million) in 2017 to A\$269 million (US\$201 million) in 2018 mainly due to increased underground mining cost as a result of increased ore tonnes mined at Invincible, less cheaper open-pit tonnes mined and increased processing maintenance cost. At Agnew/Lawlers, cost of sales before gold inventory change and amortisation and depreciation increased by 5% from A\$203 million (US\$155 million) in 2017 to A\$214 million (US\$160 million) in 2018 mainly due to increased mining cost at Waroonga as a result of increased ground support and paste fill. At Granny Smith, cost of sales before gold inventory change and amortisation and depreciation increased by 9% from A\$205 million (US\$157 million) in 2017 to A\$223 million (US\$166 million) in 2018 mainly due to increased mining cost as a result of mining deeper zones.

Gold inventory change

The gold inventory credit to costs from continuing operations of US\$16 million in 2018 compared with US\$70 million in 2017.

At South Deep, the gold inventory charge to costs of R127 million (US\$10 million) in 2018 compared with a credit to costs of R21 million (US\$2 million) in 2017, due to a drawdown of gold in circuit at the end of 2018 compared with a buildup of gold in circuit in 2017.

At Tarkwa, the gold inventory charge to costs of US\$10 million in 2018 compared with a credit to cost of US\$42 million in 2017. In 2017, higher volumes were mined and more medium grade ore was stockpiled compared to 2018. In 2018 more lower grade ore was stockpiled and medium grade ore was processed.

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At Damang, the gold inventory credit to costs of US\$19 million in 2018 compared with a charge to costs of US\$1 million in 2017, due to a buildup of stockpiles in 2018 compared to a drawdown in 2017.

At Asanko, the gold inventory credit to costs amounted to US\$4 million for the five months ended December 2018 (Asanko is an equity accounted joint venture and not included in the Group or Ghanaian operation's figures).

At Cerro Corona, the gold inventory credit to costs of US\$6 million in 2018 compared to a charge to costs of US\$3 million in 2017, due to a buildup of concentrate inventory in 2018 compared a drawdown of concentrate inventory in 2017.

At St Ives, the credit to costs of A\$20 million (US\$15 million) in 2018 compared with A\$38 million (US\$29 million) in 2017, both due to a buildup of stockpiles.

At Agnew, the charge to costs of A\$2 million (US\$2 million) in 2018 compared with a credit costs of A\$6 million (US\$5 million) in 2017, due to a drawdown of stockpiles in 2018 compared to a buildup of stockpiles in 2017.

At Granny Smith, the charge to costs of A\$3 million (US\$2 million) in 2018 compared to A\$5 million (US\$4 million) in 2017, both due to a drawdown of stockpiles.

Amortisation and depreciation

Amortisation and depreciation are calculated on the units-of-production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines based on proved and probable reserves.

The table below depicts the changes from 31 December 2017 to 31 December 2018 for proved and probable managed gold and equivalent reserves and for the life-of-mine for each operation and the resulting impact on the amortisation charge in 2018. The amortisation in 2018 was based on the reserves as at 31 December 2017. The life-of-mine information is based on the operations' strategic plans, adjusted for proved and probable reserve balances. In basic terms, amortisation is calculated using the life-of-mine for each operation, which is based on: (1) the proved and probable reserves for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using reserves); and (2) the amount of gold produced by the operation during the year. The ore reserve statement as at 31 December 2018 became effective on 1 January 2019.

	Proved and probable mineral reserves as of			Life-of-mine		Amortisation for the year ended	
	December 2018 (000oz)	December 2017 (000oz)	December 2016 (000oz)	December 2018 (years)	December 2017 (years)	31 December 2018 (US\$ million)	31 December 2017 (US\$ million)
South Africa region							
South Deep ¹	32,800	37,400	37,300	75	78	48.9	74.2
West Africa region							
Tarkwa ²	5,800	5,900	6,100	14	14	168.3	220.0
Damang ³	1,600	1,700	1,700	7	8	99.9	22.3
South America region							
Cerro Corona ⁴	3,400	3,700	2,400	12	13	81.8	130.9
Salares Norte	4,049			11.5			
Australia region							
St Ives	1,700	1,600	1,700	7	5	146.2	172.3
Agnew/Lawlers	600	500	500	4	4	75.0	82.3
Granny Smith	2,200	2,200	1,700	12	11	44.6	43.5
Gruyere ⁵	1,900	1,900	1,800	12	13		
Corporate and other						3.7	2.7
Total reserves continuing operations⁶	54,049	54,900	53,200			668.4	748.1

¹ As of 31 December 2016, 31 December 2017 and 31 December 2018, 91.3%, 91.0% and 90.8% of mineral reserves amounting to 34.072 million ounces, 34.023 million ounces and 29.772 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to future non-controlling shareholders in the South Deep operation in terms of the South Deep BEE transaction.

² As of 31 December 2016, 31 December 2017 and 31 December 2018, 90% of mineral reserves amounting to 5.473 million ounces, 5.315 million ounces and 5.200 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Tarkwa operation.

³ As of 31 December 2016, 31 December 2017 and 31 December 2018, 90% of mineral reserves amounting to 1.506 million ounces, 1.555 million ounces and 1.454 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Damang operation.

⁴ As of 31 December 2016, 31 December 2017 and 31 December 2018, 99.53% of mineral reserves amounting to 2.356 million ounces, 3.710 million ounces and 3.342 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Cerro Corona operation.

⁵ As of 31 December 2017 and 31 December 2018 mineral reserves at Gruyere represent the 50% portion attributable to Gold Fields only.

⁶ As of 31 December 2016, 31 December 2017 and 31 December 2018 reserves of 49.172 million ounces, 50.787 million ounces and 50.258 million ounces of equivalent gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Ghanaian and Peruvian operations.

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Amortisation and depreciation from the continuing operations decreased by 11% from US\$748 million in 2017 to US\$668 million in 2018.

At South Deep in South Africa, amortisation and depreciation decreased by 35% from R989 million (US\$74 million) in 2017 to R646 million (US\$49 million) in 2018 mainly due to a decrease in production and lower equipment purchases.

At the Ghanaian operations (excluding Asanko), amortisation and depreciation increased by 11% from US\$242 million in 2017 to US\$268 million in 2018. Tarkwa decreased by 24% from US\$220 million in 2017 to US\$168 million in 2018 mainly due to a decrease in ounces mined combined with the transition from owner mining to contractor mining, resulting in a decrease in mining fleet. Damang increased by 355% from US\$22 million in 2017 to US\$100 million in 2018, mainly due to increased ounces mined from the higher cost Amoanda pit in line with the reinvestment plan. At Asanko, the amortisation and depreciation amounted to US\$16 million for the five months ended December 2018 (Asanko is an equity accounted joint venture and not included in the Group or Ghanaian operations figures).

At Cerro Corona in Peru, amortisation and depreciation decreased by 37% from US\$131 million in 2017 to US\$82 million in 2018. This decrease was mainly due to the increase in reserves at Cerro Corona in line with the life extension from 2023 to 2030.

At the Australian operations, amortisation and depreciation decreased by 8% from A\$388 million (US\$298 million) in 2017 to A\$356 million (US\$266 million). At St Ives, amortisation and depreciation decreased by 12% from A\$223 million (US\$172 million) in 2017 to A\$196 million (A\$146 million) in 2018 due to a decrease in ounces mined. At Agnew/Lawlers, amortisation and depreciation decreased by 7% from A\$108 million (US\$82 million) in 2017 to A\$100 million (US\$75 million) in 2018 due to an increase in ore reserves at Waroonga mine in 2018, resulting in a lower amortisation rate per ounce. At Granny Smith, amortisation and depreciation increased by 5% from A\$57 million (US\$44 million) in 2017 to A\$60 million (US\$45 million) in 2018 due to depreciation of new mining equipment bought at the beginning of 2018, compared to mostly fully depreciated equipment utilised in 2017.

All-in sustaining and total all-in costs

The following table sets out for each operation and the Group, total gold sales in ounces, all-in sustaining costs and total all-in costs, net of by-product revenue, in US\$/oz for 2018 and 2017:

	2018			2017		
		All-in sustaining costs	Total all-in costs		All-in sustaining costs	Total all-in costs
	Gold only ounces sold	US\$/oz	US\$/oz	Gold only ounces sold	US\$/oz	US\$/oz
<i>Figures in thousands unless otherwise stated</i>						
South Deep	167.8	1,903	2,012	281.8	1,340	1,400
South African operation	167.8	1,903	2,012	281.8	1,340	1,400
Tarkwa	524.9	951	951	566.4	940	940
Damang	180.8	813	1,506	143.6	1,027	1,827
Asanko ¹	45.9	1,069	1,175			
Ghanaian operations	751.6	926	1,098	710.0	958	1,119
Cerro Corona ²	141.0	282	282	164.7	203	203
Peruvian operation	141.0	282	282	164.7	203	203
St Ives	367.0	902	902	363.9	916	916
Agnew/Lawlers	238.5	1,026	1,026	241.2	977	977
Granny Smith	280.5	925	925	290.3	896	896
Australian operations	885.9	943	943	895.4	926	926
Continuing operations (including Asanko)	1,946.4	981	1,173	2,051.9	945	1,081
Continuing operations (excluding Asanko)	1,900.5	979	1,172	2,051.9	945	1,081

All-in costs are calculated in accordance with the World Gold Council Industry standard. Refer to pages 68 to 75 for detailed calculations and discussion of non-IFRS measures.

¹ Equity accounted joint venture.

² Gold sold at Cerro Corona excludes copper equivalents of 158,100 ounces in 2018 and 149,100 ounces in 2017. Figures above may not add as they are rounded independently.

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Management's discussion and analysis

of the financial statements (continued)

AISC and AIC

AISC net of by-product revenues (including Asanko) from continuing operations increased by 4% from US\$945 per ounce of gold in 2017 to US\$981 per ounce of gold in 2018, mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. AIC net of by-product revenues (including Asanko) from continuing operations increased by 9% from US\$1,081 per ounce of gold in 2017 to US\$1,173 per ounce of gold in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

AISC net of by-product revenues (excluding Asanko) from continuing operations increased by 4% from US\$945 per ounce of gold in 2017 to US\$979 per ounce of gold in 2018, mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. AIC net of by-product revenues (including Asanko) from continuing operations increased by 8% from US\$1,081 per ounce of gold in 2017 to US\$1,172 per ounce of gold in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure and higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

At South Deep in South Africa, all-in sustaining costs increased by 41% from R574,406 per kilogram (US\$1,340 per ounce) in 2017 to R807,688 per kilogram (US\$1,903 per ounce) in 2018 mainly due to lower gold sold, partially offset by lower cost of sales before amortisation and depreciation and lower sustaining capital expenditure. The total all-in cost increased by 42% from R600,109 per kilogram (US\$1,400 per ounce) in 2017 to R854,049 per kilogram (US\$2,012 per ounce) in 2018 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure.

At the Ghanaian operations, all-in sustaining costs decreased by 3% from US\$958 per ounce in 2017 to US\$926 per ounce in 2018 mainly due to higher gold sold and lower sustaining capital expenditure, partially offset by higher cost of sales before amortisation and depreciation. Results for Asanko were included for five months in 2018. Total all-in cost decreased by 2% from US\$1,119 per ounce in 2017 to US\$1,098 per ounce in 2018 due to the same reasons as for all-in sustaining costs and higher non-sustaining capital expenditure of US\$125 million on the Damang reinvestment project and US\$5 million at Asanko. At Tarkwa, all-in sustaining costs and total all-in costs increased by 1% from US\$940 per ounce in 2017 to US\$951 per ounce in 2018 due to higher cost of sales before amortisation and depreciation and lower gold sold, partially offset by lower capital expenditure. At Damang, all-in sustaining costs decreased by 21% from US\$1,027 per ounce in 2017 to US\$813 per ounce in 2018 due to higher gold sold and lower sustaining capital expenditure, partially offset by higher cost of sales before amortisation and depreciation. All-in

costs decreased by 18% from US\$1,827 per ounce in 2017 to US\$1,506 per ounce in 2018 due to the same reasons as for all-in sustaining cost, partially offset by increased non-sustaining capital expenditure. At Asanko, all-in sustaining costs and total all-in cost for the five months ended December 2018 was US\$1,069 per ounce and US\$1,175 per ounce, respectively.

At Cerro Corona in Peru, all-in sustaining costs and total all-in costs increased by 39% from US\$203 per ounce in 2017 to US\$282 per ounce in 2018 mainly due to lower gold sold, lower by-product credits and higher cost of sales before amortisation and depreciation, partially offset by lower capital expenditure. All-in sustaining costs and total all-in cost per equivalent ounce increased by 4% from US\$673 per equivalent ounce in 2017 to US\$699 per equivalent ounce in 2018 mainly due to the same reasons as above as well as lower equivalent ounces sold.

At the Australian operations, all-in sustaining costs and total all-in costs increased by 4% from A\$1,210 per ounce (US\$926 per ounce) in 2017 to A\$1,262 per ounce (US\$943 per ounce) in 2018, mainly due to higher cost of sales before amortisation and depreciation and lower gold sold, partially offset by lower capital expenditure. At St Ives, all-in sustaining costs and total all-in costs increased by 1% from A\$1,198 per ounce (US\$916 per ounce) in 2017 to A\$1,207 per ounce (US\$902 per ounce) in 2018 due to higher cost of sales before amortisation and depreciation, partially offset by higher gold sold and lower capital expenditure. At Agnew, all-in sustaining costs and total all-in costs increased by 8% from A\$1,276 per ounce (US\$977 per ounce) in 2017 to A\$1,374 per ounce (US\$1,026 per ounce) in 2018 due to higher cost of sales before amortisation and depreciation, higher capital expenditure and lower gold sold. At Granny Smith, all-in sustaining costs and total all-in costs increased by 6% from A\$1,171 per ounce (US\$896 per ounce) in 2017 to A\$1,239 per ounce (US\$925 per ounce) in 2018, mainly due to higher cost of sales before amortisation and depreciation and lower gold sold, partially offset by lower capital expenditure.

Investment income

Income from investments increased by 33% from US\$6 million in 2017 to US\$8 million in 2018. The increase was mainly due to higher cash balances at the international operations in 2018.

The investment income in 2018 of US\$8 million comprised US\$1 million interest on monies invested in the South African rehabilitation trust fund and US\$7 million interest on other cash and cash equivalent balances.

The investment income in 2017 of US\$6 million comprised US\$1 million interest on monies invested in the South African rehabilitation trust fund and US\$5 million interest on other cash and cash equivalent balances.

Interest received on the South African rehabilitation trust fund remained flat at US\$1 million.

Interest on other cash balances increased by 40% from US\$5 million in 2017 to US\$7 million in 2018 mainly due to higher cash balances at the international operations in 2018.

Table of Contents**Finance expense**

Finance expense increased by 9% from US\$81 million in 2017 to US\$88 million in 2018.

The finance expense of US\$88 million in 2018 comprised US\$12 million relating to the accretion of the environmental rehabilitation liability, US\$2 million relating to the unwinding of the silicosis provision and US\$92 million on various Group borrowings, partially offset by borrowing costs capitalised of US\$18 million.

The finance expense of US\$81 million in 2017 comprised US\$12 million relating to the accretion of the environmental rehabilitation liability, US\$1 million relating to the unwinding of the silicosis provision and US\$91 million on various Group borrowings, partially offset by borrowing costs capitalised of US\$23 million.

The environmental rehabilitation liability accretion expense remained flat at US\$12 million in 2018.

Capitalised interest decreased by 22% from US\$23 million in 2017 to US\$18 million in 2018 due to South Deep no longer meeting the definition of a qualifying project for capitalisation of interest, partially offset by higher interest capitalised due to higher carrying values at Damang and Gruyere. This interest was capitalised in terms of IAS 23 *Borrowing Costs*. IAS 23 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The qualifying projects in 2018 were the Damang reinvestment project (US\$10 million) and the Gruyere project (US\$8 million). The qualifying projects in 2017 were South Deep (US\$20 million), Damang (US\$2 million) and Gruyere (US\$1 million). An average interest capitalisation rate of 5.9% (2017: 5.3%) was applied.

Below is an analysis of the components making up the interest on the various Group borrowings, stated on a comparative basis:

United States Dollar

Figures in millions unless otherwise stated

	2018	2017

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Interest on borrowings to fund capital expenditure and operating costs at the South African operation	9	12
Interest on US\$1 billion notes issue	43	43
Interest on US\$70 million revolving senior secured credit facility		1
Interest on US\$100 million revolving senior secured credit facility	4	2
Interest on US\$150 million revolving senior secured credit facility (old)		2
Interest on US\$150 million revolving senior secured credit facility (new)	3	1
Interest on US\$1,290 million term loan and revolving credit facilities	31	27
Other interest charges	2	3
	92	91

Interest on borrowings to fund capital expenditure and operating costs at the South African operation decreased from US\$12 million in 2017 to US\$9 million in 2018 due to repayments of South African borrowings in 2018.

Interest on the US\$1 billion notes issue remained flat at US\$43 million in 2018.

Interest on the US\$70 million senior secured revolving credit facility decreased from US\$1 million in 2017 to US\$nil in 2018. The decrease is due to the US\$70 million revolving senior secured credit facility being cancelled and refinanced through the US\$100 million revolving senior secured credit facility on 21 July 2017. Interest on the US\$100 million term revolving senior secured credit facility increased from US\$2 million in 2017 to US\$4 million in 2018. The increase is due to the interest charge being for five months in 2017 compared to 12 months in 2018.

Interest on the US\$150 million revolving senior secured credit facility (old) decreased from US\$2 million in 2017 to US\$nil in 2018. The decrease is due to the US\$150 million revolving senior secured credit facility being cancelled and refinanced through the US\$150 million revolving senior secured credit facility (new) on 22 September 2017. Interest on the US\$150 million revolving senior secured credit facility (new) increased from US\$1 million in 2017 to US\$3 million in 2018. The increase is due to interest charge being for three months in 2017 compared to 12 months in 2018.

Interest on the US\$1,290 million term loan and revolving credit facilities increased from US\$27 million in 2017 to US\$31 million in 2018 due to drawdowns in 2018.

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Gain on financial instruments

The gain on financial instruments decreased by 38% from US\$34 million in 2017 to US\$21 million in 2018.

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
South Deep gold hedge	(3)	11
Ghana gold hedge	22	
Ghana oil hedge	2	9
Peru copper hedge	9	(6)
Australia gold hedge	(5)	15
Australia oil hedge	1	5
Australia foreign currency hedge	(9)	
Maverix warrants – gain on fair value	4	
	21	34

South Deep gold hedge

In November 2017, South Deep entered into zero-cost collars for the period January 2018 to December 2018 for 63,996 ounces of gold. The strike prices are R600,000 per kilogram on the floor and R665,621 per kilogram on the cap.

At 31 December 2018, the marked-to-market value of the hedge was a positive R5 million (US\$nil), with a realised gain of R117 million (US\$9 million).

In October 2018 and November 2018, average rate forwards were entered into for the period September 2019 to December 2019 for a total of 69,543 ounces at an average strike price of R615,103 per kilogram.

At 31 December 2018, the marked-to-market value was a negative R29 million (US\$2.0 million).

Subsequent to year end, additional rate forwards were taken out for a further 30,072 ounces at an average strike price of R620,000 per kilogram. In summary, the rate forwards taken out for South Deep for 2019 are for 99,615 ounces of gold in total at an average strike price of R616,581 per kilogram.

Ghana gold hedge

In January 2018 and April 2018, a total of 488,900 ounces of the expected production for the Ghanaian region was hedged for the period January 2018 to December 2018 using zero-cost collars. The average strike prices are US\$1,300 per ounce on the floor and US\$1,418 per ounce on the cap.

At 31 December 2018, the marked-to-market value on the hedge was a positive US\$2 million, with a realised gain of US\$20 million.

Ghana oil hedge

In May 2017 and June 2017, the Ghanaian operations entered into fixed price ICE Gasoil cash settled swap transaction for a total of 125.8 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$457.2 per metric tonne (equivalent US\$61.4 per barrel). At the time of the transactions, the average Brent swap equivalent over the tenure was US\$49.8 per barrel.

At 31 December 2018, the marked-to-market value on the hedge was a positive US\$3 million, with a realised gain of US\$8 million.

Peru copper hedge

In November 2017, further zero-cost collars were entered into for the period January 2018 to December 2018. A total volume of 29,400 tonnes was hedged, at an average floor price of US\$6,600 per tonne and an average cap price of US\$7,431 per tonne.

At 31 December 2018, the marked-to-market value on the hedge was a positive US\$1 million, with a realised gain of US\$5 million.

Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **87****Australia gold hedge**

In February 2018, the Australian operations entered into Asian swaps (Asian swaps are options where the payoff is determined by the average monthly gold price over the option period) for the period June 2018 to December 2018 for a total of 221,000 ounces of gold. The average strike price on the swaps was A\$1,714 per ounce. In March 2018, the Australian operations entered into zero-cost collars for the period April 2018 to December 2018 for a total of 452,800 ounces of gold. The average strike prices are A\$1,703 per ounce on the floor and US\$1,767 per ounce on the cap.

The realised gain on the above Asian swaps and zero-cost collars was A\$11 million (US\$8 million).

In December 2018, additional Asian swaps were entered into for the period January 2019 to December 2019 for a notional 283,000 ounces of gold at an average strike price of A\$1,751 per ounce.

At 31 December 2018, the marked-to-market value on the above hedges was a negative A\$12 million (US\$8 million).

In December 2018, additional zero-cost collars were executed for the period January 2019 to December 2019 for a notional 173,000 ounces of gold with a strike price on the floor at A\$1,720 per ounce and the strike price on the cap at A\$1,789 per ounce.

At 31 December 2018, the marked-to-market value on the hedge was a negative A\$6 million (US\$4 million).

Subsequent to year end, additional zero-cost collars were executed for the period January 2019 to December 2019 for a notional 456,000 ounces of gold with a strike price on the floor at A\$1,800 per ounce and the strike price on the cap at A\$1,869 per ounce. In summary, the zero-cost collars taken out for Australia for 2019 are for 629,000 ounces of gold in total with a strike price on the floor at A\$1,778 per ounce and a strike price on the cap at A\$1,847 per ounce and Asian swaps of 283,000 ounces of gold with an average strike price of A\$1,751 per ounce.

Australia oil hedge

In May 2017 and June 2017, the Australian operations entered into fixed price Singapore 10ppm Gasoil cash-settled swap transactions for a total of 77.5 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$61.15 per barrel. At the time of the transactions, the average Brent swap equivalent over the tenure was US\$49.92 per barrel.

At 31 December 2017, the marked-to-market value on the hedge was a positive A\$3 million (US\$2 million) with a realised gain of A\$6 million (US\$5 million).

Australia foreign currency hedge

In May 2018, the Australian operations entered into Australian Dollar/US Dollar average rate forwards for a total notional US\$96 million for the period January 2019 to December 2019 at an average strike price of 0.7517. In June 2018, further hedges were taken out for a total notional US\$60 million for the same period January 2019 to December 2019 at an average strike of 0.7330. In September 2018, further hedges were taken out for a total notional US\$100 million for the same period January 2019 to December 2019 at an average strike of 0.7182. In October 2018, further hedges were taken out for the period January 2019 to December 2019 for a notional US\$60 million at an average strike of 0.7075. In December 2018, further hedges were taken out for the period January 2019 to December 2019 for a notional US\$50 million at an average strike of 0.715.

At 31 December 2018, the marked-to-market value on the hedge was a negative A\$12 million (US\$9 million).

Foreign exchange loss

The foreign exchange gain of US\$6 million in 2018 compared with a loss of US\$4 million in 2017.

These gains or losses on foreign exchange related to the conversion of offshore cash holdings into their functional currencies. The exchange gain of US\$6 million was due to the strengthening of the Ghanaian Cedi and the weakening of the Australian Dollar, while the exchange loss of US\$4 million was due to the weakening of the Ghanaian Cedi and the strengthening of the Australian Dollar.

Other costs, net

Other costs, net increased by 137% from US\$19 million in 2017 to US\$45 million in 2018.

The costs in 2018 are mainly made up of:

- Social contributions and sponsorships of US\$15 million;
- Offshore structure costs of US\$16 million;
- Corporate-related costs of US\$5 million;
- Loss on sale of inventory of US\$9 million; and
- Rehabilitation income of US\$1 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

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The costs in 2017 are mainly made up of:

- Social contributions and sponsorships of US\$20 million;
- Offshore structure costs of US\$11 million;
- Corporate-related costs of US\$1 million; and
- Rehabilitation income of US\$14 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

Share-based payments

Gold Fields recognises the cost of share options granted (share-based payments) in terms of IFRS 2 *Share-based Payment*.

Gold Fields has adopted appropriate valuation models (Black-Scholes and Monte Carlo simulation) to fair value share-based payments. The value of the share options is determined at the grant date of the options and depending on the rules of the plan expensed on a straight-line basis over a three-year vesting period, adjusted for forfeitures as appropriate.

Share-based payments increased by 41% from US\$27 million in 2017 to US\$38 million in 2018. The corresponding entry for the share-based payment expense was the share-based payment reserve within shareholders' equity.

The charge in 2018 related to a new allocation in 2018 in addition to the 2017 and 2016 allocations. The charge in 2017 related only to the 2017 and 2016 allocations.

Long-term incentive plan expense

Gold Fields recognises the long-term incentive plan expense in terms of IAS 19 *Employee Benefits*.

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-Term Incentive Plan (LTIP). The plan provided for executive directors, certain officers and employees to receive a cash award, conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions were assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant was at the end of three years after the original award was made. The last award under this plan was made in 2015.

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From 2018 onwards, Executive Committee members (including regional Executive Committee members) receive awards under the Gold Fields Limited 2012 Share Plan amended, while senior and middle management receive awards under the revised LTIP. The performance conditions of the revised LTIP are approved annually by the Remuneration Committee. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

No allocations were made under the LTIP in 2017.

The LTIP expense decreased by 80% from US\$5 million in 2017 to US\$1 million in 2018 due to negative marked-to-market adjustments of the plan.

Exploration expense

The exploration expense decreased by 5% from US\$110 million in 2017 to US\$104 million in 2018.

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Australia	37	52
Salares Norte	61	53
Arctic Platinum Project (APP)		1
Exploration office costs	5	4
Total exploration expense	104	110

In 2018, Australia spent US\$64 million on exploration of which US\$38 million was expensed in the income statement.

In 2017, Australia spent US\$75 million on exploration of which US\$52 million was expensed in the income statement.

Share of results of equity accounted investees, net of taxation

Share of results of equity accounted investees, net of taxation increased from a loss of US\$1 million in 2017 to a loss of US\$13 million in 2018.

During 2018, Gold Fields equity accounted for Far South East Resources Incorporated (FSE), Maverix Metals Incorporated (Maverix) and Asanko Gold Inc (Asanko). During 2017, Gold Fields accounted for FSE and Maverix.

FSE s share of results of equity accounted investees, net of taxation increased from a loss of US\$1 million in 2017 to a loss of US\$13 million in 2018, mainly due to the US\$12 million write-off of deferred costs and other non-recoverable amounts.

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Maverix's share of results of equity accounted investees, net of taxation increased from US\$nil for 2017 to a profit of US\$1 million in 2018, representing 19.9% (2017: 27.9%) shareholding.

In March 2018, Gold Fields entered into an agreement to form an incorporated joint venture with Asanko Gold. In the deal which became unconditional on 31 July 2018, Gold Fields acquired 45% of Asanko Gold Ghana Limited (AGGL), the Asanko subsidiary that owns the Asanko Gold mine, with the government of Ghana continuing to retain a 10% free carried interest in AGGL. The share of results of equity accounted investees, net of taxation for Asanko, was a loss of US\$1 million in 2018.

Restructuring costs

Restructuring costs increased from US\$9 million in 2017 to US\$114 million in 2018. The cost in 2018 relates mainly to separation packages at South Deep (US\$11 million), Damang (US\$14 million) and Tarkwa (US\$89 million) (related to the conversion from owner to contractor mining implemented in 2018) and the cost in 2017 relates mainly to separation packages at South Deep (US\$2 million), Damang (US\$2 million) (related to the conversion from owner to contractor mining implemented in 2017) and Tarkwa (US\$5 million).

Silicosis settlement costs

Silicosis settlement costs related to a reversal of costs of US\$5 million in 2018 compared to costs of US\$30 million in 2017.

A consolidated application was brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application.

During 2017, as a result of the ongoing work of the Working Group (refer note 35 of the consolidated financial statements for further details) and engagements with affected stakeholders since 31 December 2016, Gold Fields provided an amount of US\$30 million for its share of the estimated cost in relation to the Working Group of a possible settlement of the class action claims and related costs.

During 2018, reversal of costs of US\$5 million related to a change in the expected timing of the cash flows.

Gain on acquisition of Asanko

On 29 March 2018, the Group entered into certain definitive agreements (the *JV Transaction*) with Asanko Gold Inc. pursuant to which, among other things:

Gold Fields and Asanko will each own a 45% interest in Asanko Gold Ghana Limited (*AGGL*), the Asanko subsidiary that currently owns the Asanko Gold mine, with the government of Ghana continuing to retain a 10% free-carried interest in AGGL (the *Joint Arrangement*);

Gold Fields and Asanko will each own a 50% interest in Adansi Gold Company Ghana Limited (Adansi Ghana), the Asanko subsidiary that currently owns a number of the Company's exploration licences; and

Gold Fields and Asanko will each acquire a 50% interest in a newly formed entity (Shika Group Finance Limited (*JV Finco*)).

On 20 June 2018, Gold Fields and Asanko received approval of the JV transaction from the Ghanaian Minister of Lands and Natural Resources and the JV transaction closed on 31 July 2018 once all conditions precedent were met.

In consideration for its interests in the Joint Arrangement, Gold Fields contributed US\$165 million, representing its initial US\$165 million redeemable share investment in JV Finco, as well as its initial US\$nil equity investments in AGGL, Adansi Ghana and JV Finco, respectively. An additional US\$20.0 million will be invested in the redeemable preference shares on an agreed Esaase development milestone, but in any event no later than 31 December 2019.

Recognition and measurement

Gold Fields and Asanko have joint control and the Asanko transaction is structured as a separate vehicle and the Group has a residual interest in the net assets of Asanko. Accordingly, the Group has classified its interest in Asanko as a joint venture.

Fair value measured on a provisional basis

The fair value of identifiable net assets acquired has been performed on a provisional basis, using the acquisition life-of-mine model, pending completion of review and sign off of the life-of-mine model, including the Reserves and Resources, by the Group Competent Person. Any changes to the acquisition life-of-mine model and/or Reserves and Resources could result in a material change to the cash flows used to determine the fair value of the identifiable net assets acquired.

If new information is obtained, within one year from the date of acquisition, about facts and circumstances that existed at the date of acquisition about the life-of-mine and adjustments are required to be made to the provisional fair values of the identifiable net assets, or if any additional provisions that existed at the date of acquisition are identified, then the accounting for the acquisition will be revised.

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Consideration transferred

The following table summarises the acquisition date fair value of the consideration transferred:

Figures in millions unless otherwise stated

2018

Cash for Asanko redeemable preference shares and equity

Total consideration paid

**United
States
Dollar**

**165
165**

Gain on acquisition of Asanko

The gain on acquisition was determined as follows:

Figures in millions unless otherwise stated

2018

Total fair value of assets acquired

Consideration transferred

Gain on acquisition

**United
States
Dollar**

**217
(165)
52**

The redeemable preference shares have the following conditions:

- Redeemable at the option of the issuer at par value; and
- Non-interest-bearing.

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The redeemable preference shares were recognised as an investment in an equity financial instrument measured at fair value. The key assumptions used to determine the fair value of the redeemable preference shares of US\$130 million at acquisition were as follows:

Par value of the preference shares	US\$/m	165.0 million
Market-related interest rate		7.85%
Expected redemption period 2020 to 2023		5 years

The key assumptions used to determine the fair value of the net identifiable assets acquired were as follows:

US\$ gold price 2018 to 2019	US\$/oz	1,200
US\$ gold price 2020 onwards	US\$/oz	1,300
Discount rate		10.27%
Life-of-mine 2019 to 2030		12 years

The excess of the fair value of the identifiable net assets acquired over the consideration is recognised immediately in profit or loss as a gain on acquisition. The injection of capital into Asanko Gold Mine for an equity stake represented a favourable deal for Gold Fields, as Asanko needed to refinance the debt of Asanko Gold Mine, resulting in a gain on acquisition.

Impairment, net of reversal of impairment of investments and assets

Impairment, net of reversal of impairment of investments and assets increased by 160% from US\$200 million in 2017 to US\$520 million in 2018.

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Cerro Corona redundant assets	2	1
Tarkwa mining fleet		7
Damang Rex pit assets		4
South Deep cash-generating unit goodwill	72	278
South Deep cash-generating unit other assets	410	
Listed and unlisted investments		4
Cerro Corona cash-generating unit other assets		(53)
APP		(39)
FSE	37	
	520	200

Table of Contents**The impairment charge of US\$520 million in 2018 comprises:**

US\$2 million impairment of redundant assets at Cerro Corona;

US\$482 million cash-generating unit impairment at South Deep. US\$72 million of the impairment was firstly allocated to goodwill and the remainder of US\$410 million to other assets. The impairment calculation was performed in June 2018 and given that impairment indicators still existed at 31 December 2018, a further assessment was performed. The recoverable amount at 31 December 2018 is R21.2 billion (US\$1.4 billion). There were no further impairments at 31 December 2018 using the following assumptions:

Gold price of R525,000 per kilogram for 2019 and R550,000 per kilogram thereafter;

Resource price of US\$17 per ounce at a Rand/US\$ exchange rate of R14.63;

Resource ounces of 24.5 million ounces;

Life-of-mine of 75 years; and

Discount rate of 13.5% nominal.

US\$37 million impairment of FSE. The impairment of FSE was based on the fair value less cost of disposal of the investment which was indirectly derived from the market value of Lepanto Consolidated Mining Company.

The impairment charge of US\$200 million in 2017 comprises:

US\$1 million impairment of redundant assets at Cerro Corona;

US\$7 million asset specific impairment at Tarkwa, relating to aged, high maintenance and low effectiveness mining fleet that is no longer used;

US\$4 million asset specific impairment at Damang, relating to all assets at the Rex pit. Following a series of optimisations, the extensional drilling, completed in 2017, failed to deliver sufficient tonnages at viable grades to warrant further work;

US\$278 million cash-generating unit impairment at South Deep, the impairment is due to a reduction in the gold price assumptions, a lower resource price and a deferral of production. The main assumptions used were:

Gold price of R525,000 per kilogram;

Resource price of US\$17 per ounce at a Rand/US\$ exchange rate of R12.58;

Resource ounces of 29.0 million ounces;

Life-of-mine of 77 years; and

Discount rate of 13.5% nominal.

US\$4 million impairment of listed and unlisted investments.

The above were partially offset by the following reversal of impairments:

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US\$53 million reversal of cash-generating unit impairment at Cerro Corona. The reversal of the impairment is due to a higher net present value due to the completion of a pre-feasibility study in 2017 extending the life-of-mine from 2023 to 2030 by optimising the tailings density and increasing the tailings capacity by using in-pit tailings after mining activities end. The main assumptions used were:

- Gold price of US\$1,200 per ounce for 2018 and US\$1,300 per ounce for 2019 onwards;
- Copper price of US\$2.50 per pound for 2018 and US\$2.80 per pound for 2019 onwards;
- Resource price of US\$41 per ounce;
- Life-of-mine of 13 years; and
- Discount rate of 4.8%.

US\$39 million reversal of APP impairment. During 2017, active marketing activities continued for APP and as a result, a sale agreement was completed comprising a purchase offer of US\$40 million cash and a 2% net smelter refiner royalty on all metals. As a result, the impairment previously recorded, was reversed up to the value of the selling price.

(Loss)/profit on disposal of assets

Profit on disposal of assets was US\$4 million in 2017 compared to a loss of US\$52 million in 2018.

Loss on disposal of assets of US\$52 million in 2018 related mainly to the losses of US\$38 million on the sale of mining fleet and heavy machinery equipment and inventory at Tarkwa as part of the transition to contractor mining and a loss of US\$15 million on the sale of APP.

Profit on disposal of assets of US\$4 million in 2017 related mainly to the sale of redundant assets at Agnew and Tarkwa.

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Royalties

Royalties increased by 2% from US\$62 million in 2017 to US\$63 million in 2018 and are made up as follows:

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
South Africa	1	2
Ghana	29	27
Peru	5	5
Australia	28	28
	63	62

The royalty in South Africa decreased by 50% from US\$2 million in 2017 to US\$1 million in 2018 due to a decrease in revenue in 2018.

The royalty in Ghana increased by 7% from US\$27 million in 2017 to US\$29 million in 2018 due to an increase in revenue in 2018.

The royalty in Peru remained flat at US\$5 million.

The royalty in Australia remained flat at US\$28 million.

Mining and income tax

Mining and income tax was a charge of US\$173 million in 2017 compared to an income of US\$66 million in 2018.

The table below indicates Gold Fields' effective tax rate in 2018 and 2017:

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Income and mining tax credit/(charge) (US\$ million)	66	(173)
Effective tax rate (%)	16.0	113.6

In 2018, the effective tax rate of 16.0% was lower than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US\$18 million non-taxable gain on acquisition of Asanko;
- US\$1 million non-taxable fair value gain on Maverix warrants;
- US\$1 million non-taxable profit on dilution of Gold Fields' interest in Maverix warrants;
- US\$7 million deferred tax assets recognised at Damang; and
- US\$70 million additional capital allowances recognised at South Deep.

The above were offset by the following tax effected charges:

- US\$7 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$35 million non-deductible charges comprising share-based payments (US\$13 million) and exploration expense (US\$22 million);
- US\$13 million and US\$24 million deferred tax assets not recognised on impairment of FSE and South Deep goodwill, respectively;
- US\$26 million non-deductible interest paid;
- US\$5 million of non-deductible share of results of equity accounted Investees, net of taxation;
- US\$16 million dividend withholding tax;
- US\$15 million deferred tax assets not recognised at Cerro Corona;
- US\$8 million of net non-deductible expenditure and non-taxable income;
- US\$1 million deferred tax raised on unremitted earnings at Tarkwa and Cerro Corona;
- US\$1 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar;
- US\$8 million of various Peruvian non-deductible expenses; and
- US\$11 million deferred tax release on change of tax rate at South Deep.

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In 2017, the effective tax rate of 113.6% was higher than the maximum South African mining statutory tax rate of 34% mainly due to the tax effect of the following:

- US\$19 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$13 million deferred tax assets not recognised on reversal of impairment of APP;
- US\$5 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar;
- US\$7 million utilisation of tax losses not previously recognised at Damang; and
- US\$20 million deferred tax assets recognised at Cerro Corona and Damang.

The above were offset by the following tax effected charges:

- US\$29 million non-deductible charges comprising share-based payments (US\$9 million) and exploration expense (US\$20 million);
- US\$24 million non-deductible interest paid;
- US\$95 million impairment of South Deep goodwill;
- US\$13 million deferred tax assets not recognised at Cerro Corona and Damang;
- US\$5 million of net non-deductible expenditure and non-taxable income;
- US\$10 million deferred tax raised on unremitted earnings at Tarkwa; and
- US\$5 million of various Peruvian non-deductible expenses.

Loss from continuing operations

As a result of the factors discussed above, a loss from continuing operations increased from US\$21 million in 2017 to US\$345 million in 2018.

Profit from discontinued operations, net of tax

Profit from discontinued operations decreased from US\$13 million in 2017 to US\$nil in 2018 due to the disposal of Darlot in 2017.

Loss for the year continuing and discontinued operations

Loss for the year increased from US\$8 million in 2017 to US\$345 million in 2018.

Loss attributable to owners of the parent

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Loss attributable to owners of the parent increased from US\$19 million in 2017 to US\$348 million in 2018.

The loss attributable to owners of the parent of US\$348 million in 2018 comprised US\$348 million loss attributable to owners of the parent from continuing operations and US\$nil attributable to owners of the parent from discontinued operations.

The loss attributable to owners of the parent of US\$19 million in 2017 comprised US\$32 million loss attributable to owners of the parent from continuing operations and US\$13 million profit attributable to owners of the parent from discontinued operations.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by 73% from US\$11 million in 2017 to US\$3 million in 2018.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abosso Goldfields (Damang) at 10% each at the end of 2018 and 2017 and Gold Fields La Cima (Cerro Corona) at 0.47% at the end of 2018 and 2017.

The amount making up the non-controlling interest is shown below:

	2018	2017	2018	2017
	Minority interest Effective*	Minority interest Effective**	S\$ million	US\$ million
Gold Fields Ghana Limited Tarkwa	10.0%	10.0%	4	9
Abosso Goldfields Damang	10.0%	10.0%	(1)	2
Gold Fields La Cima Cerro Corona	0.47%	0.47%	3	11

*Average for the year.

Loss per share from continuing operations

As a result of the above, Gold Fields loss per share increased from US\$0.04 per share in 2017 to US\$0.42 per share in 2018.

Earnings per share from discontinued operations

Earnings per share from discontinued operation decreased from US\$0.02 per share in 2017 to US\$nil in 2018.

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RESULTS FOR THE PERIOD YEARS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016

Loss attributable to owners of the parent for the Group was US\$19 million (or US\$0.02 per share) for 2017 compared with a profit of US\$158 million (or US\$0.19 per share) in 2016.

Loss attributable to owners of the parent for continuing operations was US\$32 million (or US\$0.04 per share) for 2017 compared with a profit of US\$157 million (or US\$0.19 per share) for 2016.

Profit attributable to discontinued operation, Darlot, was US\$13 million (or US\$0.02 per share) for 2017 compared with US\$1 million (or US\$nil per share) for 2016.

The reasons for this decrease are discussed below.

CONTINUING OPERATIONS

Revenue

Revenue from continuing operations increased by 4% from US\$2,666 million in 2016 to US\$2,762 million in 2017. The increase in revenue of US\$96 million was mainly due to higher ounces sold as well as an increase in the average US Dollar gold price in 2017.

The average US Dollar gold price achieved by the Group increased by 1% from US\$1,241 per equivalent ounce in 2016 to US\$1,255 per equivalent ounce in 2017. The average Rand gold price decreased by 8% from R584,894 per kilogram to R538,344 per kilogram. The average Australian Dollar gold price decreased by 2% from A\$1,674 per ounce to A\$1,640 per ounce. The average US Dollar gold price for the Ghanaian operations increased by 1% from US\$1,247 per ounce in 2016 to US\$1,255 per ounce in 2017. The average equivalent US Dollar gold price, net of treatment and refining charges, for Cerro Corona increased by 4% from US\$1,199 per equivalent ounce in 2016 to US\$1,252 per equivalent ounce in 2017. The average US Dollar/Rand exchange rate strengthened by 9% from R14.70 in 2016 to R13.33 in 2017. The average Australian Dollar/US Dollar exchange rate strengthened by 3% from A\$1.00 = US\$0.75 in 2016 to A\$1.00 = US\$0.77 in 2017.

Gold sales from continuing operations increased by 2% from 2,150,000 equivalent ounces in 2016 to 2,201,100 equivalent ounces in 2017. Gold sales at the South African operation decreased by 3% from 9,001 kilograms (289,400 ounces) to 8,766 kilograms (281,800 ounces). Gold sales at the Ghanaian operations decreased by 1% from 715,800

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ounces to 710,000 ounces. Gold equivalent sales at the Peruvian operation (Cerro Corona) increased by 17% from 268,900 equivalent ounces to 313,800 equivalent ounces. At the Australian operations, gold sales increased by 2% from 875,900 ounces to 895,400 ounces. As a general rule, Gold Fields sells all the gold it produces.

	2017			2016		
	Revenue US\$ million	Gold sold (000oz)	Gold produced (000oz)	Revenue US\$ million	Gold sold (000oz)	Gold produced (000oz)
South Deep	354.1	281.8	281.3	358.2	289.4	290.4
Tarkwa	710.8	566.4	566.4	708.9	568.1	568.1
Damang	180.3	143.6	143.6	183.4	147.7	147.7
Cerro Corona	392.9	313.8	306.7	322.3	268.9	270.2
St Ives	457.3	363.9	363.9	452.3	362.9	362.9
Agnew/Lawlers	302.6	241.2	241.2	285.4	229.3	229.3
Granny Smith	363.8	290.3	290.3	355.8	283.8	283.8
Continuing operations	2,761.8	2,201.1	2,193.3	2,666.4	2,150.0	2,152.3

At South Deep in South Africa, gold sales decreased by 3% from 9,001 kilograms (289,400 ounces) to 8,766 kilograms (281,800 ounces) mainly due to decreased volumes, partially offset by increased grades. Production and therefore sales in 2017 were impacted by a weak March quarter after two fatal accidents and three fall-of-ground incidents negatively affected the contribution from the high-grade areas.

At the Ghanaian operations, gold sales at Tarkwa decreased marginally from 568,100 ounces to 566,400 ounces due to the lower plant throughput and recovery. Damang's gold sales decreased by 3% from 147,700 ounces to 143,600 ounces, mainly due to lower head grade and lower yield.

At Cerro Corona in Peru, copper sales increased by 2% from 29,905 tonnes to 30,377 tonnes and gold sales increased by 10% from 149,105 ounces to 164,715 ounces. As a result, gold equivalent sales increased by 17% from 268,900 ounces to 313,800 ounces due to higher copper to gold price ratio as well as higher gold head grades and higher gold recovery.

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At the Australian operations, gold sales at St Ives increased marginally from 362,900 ounces to 363,900 ounces. At Agnew/Lawlers, gold sales increased by 5% from 229,300 ounces to 241,200 ounces mainly due to increased ore processed due to a shortage of mill feed early in 2016 when the mill was running below capacity. At Granny Smith, gold production increased by 2% from 283,800 ounces to 290,300 ounces due to increased ore tonnes mined and processed.

Cost of sales

Cost of sales, which comprises cost of sales before gold inventory change and amortisation and depreciation, gold inventory change and amortisation and depreciation, increased by 5% from US\$2,001 million in 2016 to US\$2,105 million in 2017. The reasons for this increase are described below.

Cost of sales before gold inventory change and amortisation and depreciation

Cost of sales before gold inventory change and amortisation and depreciation from continuing operations increased by 4% from US\$1,376 million in 2016 to US\$1,427 million in 2017.

At South Deep in South Africa, cost of sales before gold inventory change and amortisation and depreciation increased by 2% from R4,003 million (US\$272 million) to R4,083 million (US\$306 million). This increase of R80 million was mainly due to annual salary increases, electricity rate increase and an increase in employees in line with the strategy to sustainably improve all aspects of the operation.

At the Ghanaian operations, cost of sales before gold inventory change and amortisation and depreciation decreased by 2% from US\$481 million in 2016 to US\$469 million in 2017. At Tarkwa, cost of sales before gold inventory change and amortisation and depreciation increased by 1% from US\$345 million to US\$348 million mainly due to increased ore tonnes mined partially offset by benefits realised as a result of the incorporation of the DA, effective 17 March 2016. At Damang, cost of sales before gold inventory change and amortisation and depreciation decreased by 11% from US\$136 million to US\$121 million due to benefits realised as a result of the incorporation of the development agreement, effective 17 March 2016, and the move to contractor mining as well as lower operating tonnes mined.

At Cerro Corona in Peru, cost of sales before gold inventory change and amortisation and depreciation increased by 5% from US\$144 million in 2016 to US\$151 million in 2017, mainly due to higher mining costs as a result of higher tonnes mined in 2017 and higher power expenses in 2017 due to a new contract with the power supplier which came

into effect in June 2017.

At the Australian operations, cost of sales before gold inventory change and amortisation and depreciation increased by 2% from A\$643 million (US\$480 million) in 2016 to A\$653 million (US\$499 million) in 2017. At St Ives, cost of sales before gold inventory change and amortisation and depreciation decreased by 5% from A\$259 million (US\$193 million) to A\$245 million (US\$188 million) due to reduced operational tonnes mined from the open pits and cost improvements at the open pits and Hamlet. At Agnew/Lawlers, cost of sales before gold inventory change and amortisation and depreciation increased by 4% from A\$195 million (US\$146 million) to A\$203 million (US\$155 million), mainly due to higher mining costs as a result of a 16% increase in ore development metres achieved. At Granny Smith, cost of sales before gold inventory change and amortisation and depreciation increased by 8% from A\$189 million (US\$141 million) to A\$205 million (US\$157 million) due to additional volumes of ore mined.

Gold inventory change

The gold inventory credit to costs from continuing operations of US\$70 million in 2017 compared with US\$46 million in 2016.

At South Deep, the gold inventory credit of R21 million (US\$2 million) in 2017 compared with R11 million (US\$1 million) in 2016, due to higher gold produced not sold at year-end.

At Tarkwa, the gold inventory credit of US\$42 million in 2017 compared with US\$18 million in 2016, both due to a buildup of stockpiles due to a strategy to mill higher grade ore and stockpile lower grade ore.

At Damang, the gold inventory charge to costs of US\$1 million in 2017 compared with a credit of US\$nil in 2016, due to a drawdown of stockpiles in 2017.

At Cerro Corona, the gold inventory charge to costs of US\$3 million in 2017 compared with a credit of US\$4 million in 2016, due to a buildup of concentrate inventory in 2016 compared with a drawdown in 2017.

At St Ives, the credit to costs of A\$38 million (US\$29 million) in 2017 compared with A\$15 million (US\$11 million) in 2016, due to a buildup of stockpiles in both years. This was mainly due to increased productivity and equipment utilisation achieved in the open pits as St Ives had a strategic shift to a primarily open-pit operation in these years.

At Agnew, the credit to costs of A\$6 million (US\$5 million) in 2017 compared with A\$7 million (US\$5 million) in 2016, both due to a buildup of stockpiles.

At Granny Smith, the charge to costs of A\$5 million (US\$4 million) in 2017 compared with a credit of A\$10 million (US\$7 million) in 2016 due to a drawdown of stockpiles in 2017 compared with a buildup of stockpiles in 2016.

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Amortisation and depreciation

Amortisation and depreciation is calculated on the units-of-production method and is based on current gold production as a percentage of total expected gold production over the lives of the different mines based on proved and probable reserves.

The table below depicts the changes from 31 December 2016 to 31 December 2017 for proved and probable managed gold and equivalent reserves and for the life-of-mine for each operation and the resulting impact on the amortisation charge in 2017. The amortisation in 2017 was based on the reserves as at 31 December 2016. The life-of-mine information is based on the operations' strategic plans, adjusted for proved and probable reserve balances. In basic terms, amortisation is calculated using the life-of-mine for each operation, which is based on: (1) the proved and probable reserves for the operation at the start of the relevant year (which are taken to be the same as at the end of the prior fiscal year and using reserves); and (2) the amount of gold produced by the operation during the year. The ore reserve statement as at 31 December 2017 became effective on 1 January 2018.

	Proved and probable			Life-of-mine		Amortisation	
	mineral reserves as of					for the year ended	
	31 December 2017 ('000oz)	31 December 2016 ('000oz)	31 December 2015 ('000oz)	31 December 2017 (years)	31 December 2016 (years)	31 December 2017 (US\$ million)	31 December 2017 (US\$ million)
Africa region							
Dep ¹	37,400	37,300	37,300	78	79	74.2	
Africa region							
Dep ¹	5,900	6,100	6,700	14	15	220.0	
Dep ¹	1,700	1,700	1,000	8	8	22.3	
America region							

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Corona ⁴	3,700	2,400	2,800	13	7	130.9
in a region						
	1,600	1,700	1,500	5	5	172.3
lawyers	500	500	700	4	3	82.3
Smith	2,200	1,700	1,300	11	9	43.5
	1,900	1,800		13		
ite and other						2.7
erves						
ng operations ⁶	54,900	53,200	51,300			748.1

¹ As of 31 December 2015, 31 December 2016 and 31 December 2017, 91.3%, 91.3% and 91.0% of mineral reserves amounting to 34.027 million ounces, 34.072 million ounces and 34.023 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the South Deep operation.

² As of 31 December 2015, 31 December 2016 and 31 December 2017, 90% of mineral reserves amounting to 6.071 million ounces, 5.473 million ounces and 5.315 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Tarkwa operation.

³ As of 31 December 2015, 31 December 2016 and 31 December 2017, 90% of mineral reserves amounting to 0.876 million ounces, 1.506 million ounces and 1.555 million ounces of gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Damang operation.

⁴ As of 31 December 2015, 31 December 2016 and 31 December 2017, 99.53% of mineral reserves amounting to 2.763 million ounces, 2.356 million ounces and 3.710 million ounces of equivalent gold were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Cerro Corona operation.

⁵ As of 31 December 2017 mineral reserves at Gruyere represent the 50% portion attributable to Gold Fields only.

⁶ As of 31 December 2015, 31 December 2016 and 31 December 2017, reserves of 47.292 million ounces, 49.172 million ounces and 50.787 million ounces of equivalent gold, respectively, were attributable to Gold Fields, with the remainder attributable to non-controlling shareholders in the Ghanaian and Peruvian operations.

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Amortisation and depreciation from the continuing operations increased by 11% from US\$671 million in 2016 to US\$748 million in 2017.

At South Deep in South Africa, amortisation and depreciation decreased by 6% from R1,051 million (US\$72 million) in 2016 to R989 million (US\$74 million) in 2017 mainly due to a decrease in production, marginal increase in reserves and lower equipment purchases.

At the Ghanaian operations, amortisation and depreciation increased by 20% from US\$202 million in 2016 to US\$242 million in 2017. Tarkwa increased by 20% from US\$184 million to US\$220 million mainly due to a reduction in reserves as well as an increase in ore mined and stockpiled. Damang increased by 22% from US\$18 million to US\$22 million mainly due to increased ounces mined from the more expensive Amoanda pit.

At Cerro Corona in Peru, amortisation and depreciation increased by 13% from US\$116 million in 2016 to US\$131 million in 2017. This increase was due to reduction in gold and copper reserves, as well as an increase in production. In addition, the methodology for amortisation and depreciation was amended in 2017 changing to gold ounces produced from tonnes mined. Gold ounces are considered a better reflection of the pattern in which the mine's future economic benefits are expected to be consumed by the entity in line with the declining grade over the life-of-mine.

During the year ended 31 December 2017, the Group corrected the amortisation and depreciation methodology for the mineral rights asset at the Australian operations to reduce the level of estimation required in calculating amortisation. Prior to the correction of the methodology, the total mineral rights asset capitalised at the Australian operation was amortised on a units-of-production basis over a useful life that exceeded proved and probable reserves. The amortisation methodology was revised in order to divide the total mineral rights asset capitalised at the respective operations into a depreciable and a non-depreciable component. The mineral rights are initially capitalised to the mineral rights asset as a non-depreciable component.

Annually, as part of the preparation of the updated reserve and resource statement and preparation of the updated life-of-mine plan, a portion of resources will typically be converted to reserves as a result of ongoing resource definition drilling, resultant geological model updates and subsequent mine planning. Based on this conversion of resources to reserves, a portion of the historic cost is allocated from the non-depreciable component of the mineral rights asset to the depreciable component of the mineral rights asset. Therefore, the category of non-depreciable mineral rights asset is expected to reduce and will eventually be fully allocated within the depreciable component of the mineral rights asset.

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Each operation typically comprises a number of mines and the depreciable component of the mineral rights asset is therefore allocated on a mine-by-mine basis at the operation and is amortised over the estimated proved and probable ore reserves of the respective mine on the units-of-production method. The remaining non-depreciable component of the mineral rights asset is not depreciated but, in combination with the depreciable component of the mineral rights asset and other assets included in the cash-generating unit, is evaluated for impairment when events and changes in circumstances indicate that the carrying amount may not be recoverable.

At 1 January 2017, as a result of this correction of methodology, management identified an understatement of the amortisation and depreciation charge in prior periods. The understatement has been corrected by restating each of the affected financial statement line items for prior periods.

As a result of the correction of the methodology, the amortisation and depreciation at the Australian operations in 2016 increased by 3% from A\$358 million (US\$267 million) to A\$368 million (US\$274 million). At St Ives, amortisation and depreciation increased by 7% from A\$194 million (US\$145 million) to A\$207 million (US\$154 million). Agnew/Lawlers decreased by 3% from A\$103 million (US\$77 million) to A\$100 million (US\$75 million). Amortisation and depreciation at Granny Smith remained flat at A\$61 million (US\$45 million).

At the Australian operations, amortisation and depreciation increased by 5%, from A\$368 million (US\$274 million) in 2016 to A\$388 million (US\$298 million) in 2017. At St Ives, amortisation and depreciation increased by 8% from A\$207 million (US\$154 million) in 2016 to A\$223 million (US\$172 million) in 2017 due to a decrease in reserves. Agnew/Lawlers increased by 8% from A\$100 million (US\$75 million) in 2016 to A\$108 million (US\$82 million) in 2017 mainly due to a decrease in reserves. At Granny Smith, amortisation and depreciation decreased by 7% from A\$61 million (US\$45 million) to A\$57 million (US\$44 million) due to lower production as well as an increase in reserves.

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All-in sustaining and total all-in costs

The following table sets out for each operation and the Group, total gold sales in ounces, all-in sustaining costs and total all-in costs, net of by-product revenue, in US\$/oz for 2017 and 2016:

	2017			2016		
	Gold only ounces sold	All-in sustaining costs US\$/oz	Total all-in costs US\$/oz	Gold only ounces sold	All-in sustaining costs US\$/oz	Total all-in costs US\$/oz
<i>Figures in thousands unless otherwise stated</i>						
South Deep	281.8	1,340	1,400	289.4	1,207	1,234
South African operation	281.8	1,340	1,400	289.4	1,207	1,234
Tarkwa	566.4	940	940	568.1	959	959
Damang	143.6	1,027	1,827	147.7	1,254	1,254
Ghanaian operations	710.0	958	1,119	715.8	1,020	1,020
Cerro Corona ¹	164.7	203	203	149.1	499	499
Peruvian operation	164.7	203	203	149.1	499	499
St Ives	363.9	916	916	362.9	949	949
Agnew/Lawlers	241.2	977	977	229.3	971	971
Granny Smith	290.3	896	896	283.8	834	834
Australian operations	895.4	926	926	876.0	917	917
Corporate and other		10	81		7	31
Continuing operations	2,051.9	945	1,081	2,030.4	972	998

All-in costs are calculated in accordance with the World Gold Council Industry standard. Refer to pages 68 to 75 for detailed calculations and discussion of non-IFRS measures.

¹ Gold sold at Cerro Corona excludes copper equivalents of 149,100 ounces in 2017 and 119,800 ounces in 2016.

Figures above may not add as they are rounded independently.

AISC and AIC

AISC net of by-product revenues from continuing operations decreased by 3% from US\$972 per ounce of gold in 2016 to US\$945 per ounce of gold in 2017, mainly due to higher by-product credits, lower royalties, a higher gold inventory credit, higher gold sold and lower sustaining capital expenditure, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation. AIC net of by-product revenues from continuing operations increased by 8% from US\$998 per ounce of gold in 2016 to US\$1,081 per ounce of gold in 2017 due to higher non-sustaining capital expenditure and higher exploration, feasibility and evaluation costs.

At South Deep in South Africa, all-in sustaining costs increased by 1% from R570,303 per kilogram (US\$1,207 per ounce) in 2016 to R574,406 per kilogram (US\$1,340 per ounce) in 2017 mainly due to lower gold sold and higher cost of sales before gold inventory change and amortisation and depreciation, partially offset by lower sustaining capital expenditure and a higher gold inventory credit. The total all-in costs increased by 3% from R583,059 per kilogram (US\$1,234 per ounce) in 2016 to R600,109 per kilogram (US\$1,400 per ounce) in 2017 due to the same reasons as for all-in sustaining costs as well as higher non-sustaining capital expenditure.

At the Ghanaian operations, all-in sustaining costs decreased by 6% from US\$1,020 per ounce in 2016 to US\$958 per ounce in 2017 mainly due to lower cost of sales before gold inventory change and amortisation and depreciation, a higher gold inventory credit and lower sustaining capital expenditure, partially offset by lower gold sold. All-in costs increased by 10% from US\$1,020 per ounce in 2016 to US\$1,119 per ounce in 2017 mainly due to non-sustaining capital expenditure of US\$115 million on the Damang reinvestment project compared to US\$nil in 2016. At Tarkwa, all-in sustaining costs and total all-in costs decreased by 2% from US\$959 per ounce in 2016 to US\$940 per ounce in 2017 due to a higher gold inventory credit, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation, higher sustaining capital expenditure and lower gold sold. At Damang, all-in sustaining costs decreased by 18% from US\$1,254 per ounce in 2016 to US\$1,027 per ounce in 2017 due to lower cost of sales before gold inventory change and amortisation and depreciation and lower sustaining capital expenditure, partially offset by lower gold sold and a gold inventory charge to cost. At Damang, all-in costs increased by 46% from US\$1,254 per ounce in 2016 to US\$1,827 per ounce in 2017 mainly due to non-sustaining capital expenditure of US\$115 million on the Damang reinvestment project.

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At Cerro Corona in Peru, all-in sustaining costs and total all-in costs decreased by 59% from US\$499 per ounce in 2016 to US\$203 per ounce in 2017 mainly due to higher by-product credits, lower sustaining capital expenditure and higher gold sold, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation and a gold inventory charge to costs. All-in sustaining costs and total all-in costs per equivalent ounce decreased by 12% from US\$762 per equivalent ounce to US\$673 per equivalent ounce mainly due to the same reasons as above.

At the Australian operations, all-in sustaining costs and total all-in costs decreased by 2% from A\$1,231 per ounce (US\$917 per ounce) in 2016 to A\$1,210 per ounce (US\$926 per ounce) in 2017 mainly due to higher gold sold and a higher gold inventory credit, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation and higher capital expenditure. At St Ives, all-in sustaining costs and total all-in costs decreased by 6% from A\$1,273 per ounce (US\$949 per ounce) in 2016 to A\$1,198 per ounce (US\$916 per ounce) in 2017 due to lower cost of sales before gold inventory change and amortisation and depreciation, a higher gold inventory credit and higher gold sold, partially offset by higher capital expenditure. At Agnew, all-in sustaining costs and total all-in costs decreased by 2% from A\$1,301 per ounce (US\$971 per ounce) in 2016 to A\$1,276 per ounce (US\$977 per ounce) in 2017 due to higher gold sold, partially offset by higher cost of sales before gold inventory change and amortisation and depreciation and higher capital expenditure. At Granny Smith, all-in sustaining costs and total all-in costs increased by 5% from A\$1,119 per ounce (US\$834 per ounce) in 2016 to A\$1,171 per ounce (US\$896 per ounce) in 2017 mainly due to higher cost of sales before gold inventory change and amortisation and depreciation and a gold inventory charge to costs compared to a credit to costs in 2016, partially offset by higher gold sold and lower capital expenditure.

Investment income

Income from investments decreased by 25% from US\$8 million in 2016 to US\$6 million in 2017. The decrease was mainly due to lower cash balances at the international operations in 2017.

The investment income in 2017 of US\$6 million comprised US\$1 million interest on monies invested in the South African rehabilitation trust fund and US\$5 million interest on other cash and cash equivalent balances.

The investment income in 2016 of US\$8 million comprised US\$1 million interest on monies invested in the South African rehabilitation trust fund and US\$7 million interest on other cash and cash equivalent balances.

Interest received on the South African rehabilitation trust fund remained flat at US\$1 million.

Interest on other cash balances decreased by 29% from US\$7 million in 2016 to US\$5 million in 2017, mainly due to lower cash balances at the international operations in 2017.

Finance expense

Finance expense increased by 4% from US\$78 million in 2016 to US\$81 million in 2017.

The finance expense of US\$81 million in 2017 comprised US\$12 million relating to the accretion of the environmental rehabilitation liability, US\$1 million relating to the unwinding of the silicosis provision and US\$91 million on various Group borrowings, partially offset by borrowing costs capitalised of US\$23 million.

The finance expense of US\$78 million in 2016 comprised US\$11 million relating to the accretion of the environmental rehabilitation liability and US\$82 million on various Group borrowings, partially offset by borrowing costs capitalised of US\$15 million.

The environmental rehabilitation liability accretion expense increased by 9% from US\$11 million in 2016 to US\$12 million in 2017, mainly due to marginally higher present values of the rehabilitation liabilities and an increase in discount rates used in unwinding in Ghana.

Capitalised interest increased by 53% from US\$15 million in 2016 to US\$23 million in 2017 due to higher borrowings. This interest was capitalised in terms of IAS 23 *Borrowing Costs*. IAS 23 requires capitalisation of borrowing costs whenever general borrowings are used to finance qualifying projects. The qualifying projects were South Deep's mine development (US\$20 million), Damang reinvestment project (US\$2 million) and the Gruyere project (US\$1 million). South Deep was the only qualifying project in 2016. An average interest capitalisation rate of 5.3% (2016: 4.7%) was applied.

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Management's discussion and analysis
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Below is an analysis of the components making up the interest on the various Group borrowings, stated on a comparative basis:

United States Dollar

Figures in millions unless otherwise stated

	2017	2016
Interest on borrowings to fund capital expenditure and operating costs at the South African operation	12	6
Interest on US\$1 billion notes issue	43	44
Interest on US\$70 million revolving senior secured credit facility	1	2
Interest on US\$100 million revolving senior secured credit facility	2	
Interest on US\$150 million revolving senior secured credit facility (old)	2	3
Interest on US\$150 million revolving senior secured credit facility (new)	1	
Interest on US\$1,510 million term loan and revolving credit facilities		12
Interest on US\$1,290 million term loan and revolving credit facilities	27	14
Other interest charges	3	1
	91	82

Interest on borrowings to fund capital expenditure and operating costs at the South African operation increased from US\$6 million in 2016 to US\$12 million in 2017 due to drawdowns of South African borrowings in 2017.

Interest on the US\$1 billion notes issue decreased marginally from US\$44 million in 2016 to US\$43 million in 2017.

Interest on the US\$70 million senior secured revolving credit facility decreased from US\$2 million in 2016 to US\$1 million in 2017. The decrease is due to the US\$70 million revolving senior secured credit facility being cancelled and refinanced through the US\$100 million revolving senior secured credit facility on 21 July 2017. Interest on the US\$100 million term revolving senior secured credit facility from the date of refinancing was US\$2 million.

Interest on the US\$150 million revolving senior secured credit facility (old) decreased from US\$3 million in 2016 to

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US\$2 million in 2017. The decrease is due to the US\$150 million revolving senior secured credit facility being cancelled and refinanced through the US\$150 million revolving senior secured credit facility (new) on 22 September 2017. Interest on the US\$150 million revolving senior secured credit facility (new) from the date of refinancing was US\$1 million.

Interest on the US\$1,510 million term loan and revolving credit facilities decreased from US\$12 million in 2016 to US\$nil in 2017. The decrease is due to the US\$1,510 million term loan and revolving credit facilities being cancelled and refinanced through the US\$1,290 million term loan and revolving credit facilities on 6 June 2016.

Interest on the US\$1,290 million term loan and revolving credit facilities increased from US\$14 million in 2016 to US\$27 million in 2017. The increase is due to the interest charge being for five months in 2016 compared to 12 months in 2017.

Gain on financial instruments

The gain on financial instruments increased by 143% from US\$14 million in 2016 to US\$34 million in 2017.

United States Dollar

Figures in millions unless otherwise stated

	2017	2016
South Deep gold hedge	11	
Australia gold hedge	15	
Ghana oil hedge	9	
Australia oil hedge	5	
Peru copper hedge	(6)	
South Deep currency hedge		14
	34	14

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South Deep gold hedge

In November 2017, South Deep entered into zero-cost collars for the period January 2018 to December 2018 for 63,996 ounces of gold. The strike prices are R600,000 per kilogram on the floor and R665,621 per kilogram on the cap. At 31 December 2017, the marked-to-market value of the hedge was a positive R137 million (US\$11 million).

Australia gold hedge

In April 2017 and June 2017, the Australian operations entered into a combination of zero-cost collars and forward sales transactions for the period July 2017 to December 2017 for 295,000 ounces of gold. The average strike prices on the collars were A\$1,695.9 on the floor and A\$1,754.2 on the cap. The average forward price was A\$1,719.9. At 31 December 2017, there were no open positions and the total realised gain was US\$15 million.

Ghana oil hedge

In May 2017 and June 2017, the Ghanaian operations entered into fixed price ICE Gasoil cash-settled swap transaction for a total of 125.8 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$457.2 per metric tonne (equivalent US\$61.4 per barrel). At the time of the transactions, the average Brent swap equivalent over the tenure was US\$49.8 per barrel. At 31 December 2017, the marked-to-market value on the hedge was a positive US\$9 million.

Australia oil hedge

In May 2017 and June 2017, the Australian operations entered into fixed price Singapore 10ppm Gasoil cash-settled swap transactions for a total of 77.5 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$61.15 per barrel. At the time of the transactions, the average Brent swap equivalent over the tenure was US\$49.92 per barrel. At 31 December 2017, the marked-to-market value on the hedge was a positive US\$5 million.

Peru copper hedge

In July 2017, Peru entered into zero-cost collars for the period August 2017 and December 2017 for 8,250 tonnes of copper. The average floor price was US\$5,867 per tonne and the average cap was US\$6,300 per tonne. The total realised loss was US\$3 million.

In November 2017, further zero-cost collars were entered into for the period January 2018 to December 2018. A total volume of 29,400 tonnes was hedged, at an average floor price of US\$6,600 per tonne and an average cap price of US\$7,431 per tonne. At 31 December 2017, the marked-to-market value on the hedge was a negative US\$3 million.

South Deep currency hedge

On 25 February 2016, South Deep entered into US\$/Rand forward exchange contracts for a total delivery of US\$69.8 million starting at July 2016 to December 2016. The average forward rate achieved over the six-month period was R16.8273. The hedge was delivered into in July and August and the balance closed out in September 2016. The average rate achieved on delivery and close out was R13.8010, resulting in a positive cash flow of US\$14 million.

Hedges entered into subsequent to year-end

Ghana gold hedge

In January 2018, 409,000 ounces of gold were hedged by the Ghanaian operations for the period January 2018 to December 2018 using zero-cost collars with an average floor price of US\$1,300.00 per ounce and an average cap price of US\$1,409.34 per ounce.

Australia gold hedge

In February and March 2018, the Australian operations entered into a combination of forward sales agreements and zero-cost collars for the period February 2018 to December 2018 for 321,000 ounces of gold. The average forward price on 221,000 ounces is A\$1,713.83 per ounce and on 100,000 ounces the cap price is A\$1,750 per ounce and the floor price is A\$1,700 per ounce.

Foreign exchange loss

The foreign exchange loss decreased by 33% from US\$6 million in 2016 to US\$4 million in 2017.

These gains or losses on foreign exchange related to the conversion of offshore cash holdings into their functional currencies. The exchange loss of US\$4 million was due to the weakening of the Ghanaian Cedi and the strengthening of the Australian Dollar, while US\$6 million in 2016 were mainly due to the weakening of the Ghanaian Cedi.

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of the financial statements (continued)

Other costs, net

Other costs, net increased by 12% from US\$17 million in 2016 to US\$19 million in 2017.

The costs in 2017 are mainly made up of:

- Social contributions and sponsorships of US\$20 million;
- Offshore structure costs of US\$11 million;
- Corporate related costs of US\$1 million; and
- Rehabilitation income of US\$14 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

The costs in 2016 are mainly made up of:

- Social contributions and sponsorships of US\$19 million;
- Facility charges of US\$8 million on borrowings;
- Offshore structure costs of US\$9 million;
- Corporate related costs of US\$4 million;
- GFA margin improvement project of US\$5 million;
- Profit of US\$18 million on the buy-back of notes; and
- Rehabilitation income of US\$10 million as a result of changes in estimates relating to the provision for environmental rehabilitation costs recognised in profit or loss.

Share-based payments

Gold Fields recognises the cost of share options granted (share-based payments) in terms of IFRS 2 *Share-based Payment*.

Gold Fields has adopted appropriate valuation models (Black-Scholes and Monte Carlo simulation) to fair value share-based payments. The value of the share options is determined at the grant date of the options and depending on the rules of the plan expensed on a straight-line basis over a three-year vesting period, adjusted for forfeitures as appropriate.

Share-based payments increased by 93% from US\$14 million in 2016 to US\$27 million in 2017. The corresponding entry for the share-based payment expense was the share-based payment reserve within shareholders' equity.

The charge in 2017 related to a new allocation in 2017 in addition to the 2016 allocation, as well as positive marked-to-market adjustments relating to the free cash flow margin portion of the awards. The charge in 2016 related only to the 2016 share-based payment allocation and a marginal positive marked-to-market adjustment.

Long-term incentive plan expense

Gold Fields recognises the long-term incentive plan expense in terms of IAS 19 *Employee Benefits*.

On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-Term Incentive Plan (LTIP). The plan provides for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions are assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant is at the end of three years after the original award was made.

These awards are measured on the date the award is made and remeasured at each reporting period. The total shareholder return portion of the award is measured using the Monte Carlo simulation valuation model, which requires assumptions regarding the share price volatility and expected dividend yield. The fair value of the free cash flow portion of the award is valued based on the actual and expected achievement of the cash flow targets set out in the plan. The assumptions used in the Monte Carlo model and the expected cash flow targets are reviewed at each reporting date.

No allocations were made under the LTIP in 2016 and 2017 following the introduction of the revised Gold Fields Limited 2012 share plan.

The LTIP expense decreased by 55% from US\$11 million in 2016 to US\$5 million in 2017. The decrease was due to negative marked-to-market adjustments relating to the share price portion of the incentive scheme as well as expensing of only one LTIP allocation in 2017 due to the scheme coming to an end. The charge in 2016 related to two LTIP allocations and negative marked-to-market adjustments.

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The exploration expense increased by 28% from US\$86 million in 2016 to US\$110 million in 2017.

United States Dollar

Figures in millions unless otherwise stated

	2017	2016
Australia	52	42
Salares Norte	53	39
Arctic Platinum Project (APP)	1	1
Exploration office costs	4	5
Total exploration expense	110	86

In 2017, Australia spent US\$75 million on exploration of which US\$52 million was expensed in the income statement.

In 2016, Australia spent US\$69 million on exploration of which US\$42 million was expensed in the income statement.

Share of results of equity accounted investees, net of taxation

Share of results of equity accounted investees, net of taxation decreased by 50% from a loss of US\$2 million in 2016 to a loss of US\$1 million in 2017 and related mainly to activities at FSE.

During 2017, Gold Fields equity accounted for Far South East Resources Incorporated (FSE) and Maverix Metals Incorporated (Maverix). During 2016, Gold Fields accounted for FSE only.

FSE's share of results of equity accounted investees, net of taxation decreased by 50% from a loss of US\$2 million in 2016 to a loss of US\$1 million in 2017.

On 23 December 2016, Gold Fields sold a portfolio of 11 producing and non-producing royalties to Maverix in exchange for 42.85 million common shares and 10.0 million common share purchase warrants of Maverix. The share of results of equity accounted investees, net of taxation for Maverix was US\$nil for 2017, representing 27.9% (2016: 32.3%) shareholding.

Restructuring costs

Restructuring costs decreased by 25% from US\$12 million in 2016 to US\$9 million in 2017. The cost in 2017 relates mainly to separation packages in South Deep, Damang (related to the conversion from owner to contractor mining implemented in 2017) and Tarkwa and the cost in 2016 relates mainly to separation packages in Damang and Granny Smith.

Silicosis settlement costs

Silicosis settlement costs were US\$30.2 million in 2017 compared to US\$nil in 2016.

A consolidated application was brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application.

During 2017, as a result of the ongoing work of the Working Group (refer note 35 of the consolidated financial statements for further details) and engagements with affected stakeholders since 31 December 2016, Gold Fields provided an amount of US\$30 million for its share of the estimated cost in relation to the Working Group of a possible settlement of the class action claims and related costs. The nominal value of this provision was US\$41 million.

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Impairment, net of reversal of impairment of investments and assets

Impairment, net of reversal of impairment of investments and assets increased by 160% from US\$77 million in 2016 to US\$200 million in 2017.

United States Dollar

Figures in millions unless otherwise stated

	2017	2016
Cerro Corona redundant assets	1	
Tarkwa mining fleet	7	
Damang Rex pit assets	4	
South Deep goodwill	278	
Listed and unlisted investments	4	
Cerro Corona CGU	(53)	66
APP	(39)	
Damang mining fleet		2
Damang write-down to net realisable value		8
	200	77

The impairment charge of US\$200 million in 2017 comprises:

US\$1 million impairment of redundant assets at Cerro Corona;

US\$7 million asset-specific impairment at Tarkwa, relating to aged, high maintenance and low effectiveness mining fleet that is no longer used;

US\$4 million asset-specific impairment at Damang, relating to all assets at the Rex pit. Following a series of optimisations, the extensional drilling, completed in 2017, failed to deliver sufficient tonnages at viable grades to warrant further work;

US\$278 million cash-generating unit impairment at South Deep, the impairment is due to a reduction in the gold price assumptions, a lower resource price and a deferral of production. The main assumptions used were:

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Gold price of R525,000 per kilogram;
Resource price of US\$17 per ounce at a Rand/US\$ Dollar exchange rate of R12.58;
Resource ounces of 29.0 million ounces;
Life-of-mine of 77 years; and
Discount rate of 13.5% nominal.

US\$4 million impairment of listed and unlisted investments.

The above were partially offset by the following reversal of impairments:

US\$53 million reversal of cash-generating unit impairment at Cerro Corona. The reversal of the impairment is due to a higher net present value due to the completion of a pre-feasibility study in 2017 extending the life-of-mine from 2023 to 2030 by optimising the tailings density and increasing the tailings capacity by using in-pit tailings after mining activities end. The main assumptions used were:

Gold price of US\$1,200 per ounce for 2018 and US\$1,300 per ounce for 2019 onwards;
Copper price of US\$2.50 per pound for 2018 and US\$2.80 per pound for 2019 onwards;
Resource price of US\$41 per ounce;
Life-of-mine of 13 years; and
Discount rate of 4.8%.

US\$39 million reversal of APP impairment. During 2017, active marketing activities continued for APP and as a result, a sale agreement was completed comprising a purchase offer of US\$40 million cash and a 2% net smelter refiner royalty on all metals. As a result, the impairment previously recorded, was reversed up to the value of the selling price.

The impairment charge of US\$77 million in 2016 comprises:

US\$2 million asset-specific impairment at Damang, relating to inoperable mining fleet that is no longer used under the current life-of-mine plan;

US\$8 million write down of assets held for sale. Following the Damang reinvestment plan, a decision was taken to sell certain mining fleet assets and related spares. The sale of the assets was concluded during 2017. As a result, the assets were classified as held for sale and valued at the lower of fair value less costs of disposal (FVLCOD) or carrying value which resulted in an impairment; and

US\$66 million cash-generating unit impairment at Cerro Corona. The impairment was due to the reduction in gold and copper reserves due to depletion, a decrease in the gold and copper price assumptions for 2017 and 2018, a lower resource price and an increase in the Peru tax rate from 2017 onwards.

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The profit on the disposal of investments was US\$nil in 2017 compared with US\$2 million in 2016.

The profit on disposal of investments of US\$2 million in 2016 related mainly to the profit on disposal of shares in Sibanye Gold Limited.

Profit/(loss) on disposal of assets

Profit on disposal of assets decreased by 92% from US\$48 million in 2016 to US\$4 million in 2017.

The major disposals in 2017 related mainly to the sale of redundant assets at Agnew and Tarkwa.

Profit on disposal of assets of US\$48 million in 2016 related to the sale of royalties as part of the Maverix transaction.

Royalties

Royalties decreased by 21% from US\$78 million in 2016 to US\$62 million in 2017 and are made up as follows:

United States Dollar

Figures in millions unless otherwise stated

	2017	2016
South Africa	2	2
Ghana	27	44
Peru	5	5
Australia	28	27
	62	78

The royalty in South Africa remained flat at US\$2 million.

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The royalty in Ghana decreased by 39% from US\$44 million in 2016 to US\$27 million in 2017 due to the introduction in 2017 of a sliding scale for royalty rates, linked to the prevailing gold price. The royalty rate per the sliding scale for 2017 was 3% (2016: fixed at 5% of total revenue earned from minerals obtained).

The royalty in Peru remained flat at US\$5 million.

The royalty in Australia decreased in Australian Dollar terms from A\$39 million in 2016 to A\$36 million in 2017, however, increased in United States Dollar terms due to the strengthening of the Australian Dollar against the United States Dollar.

Mining and income tax

Mining and income tax charge decreased by 9% from US\$190 million in 2016 to US\$173 million in 2017.

As a result of the correction of the amortisation and depreciation methodology at the Australian operations, mining and income tax in 2016 decreased by 1% from US\$192 million to US\$190 million.

The table below indicates Gold Fields' effective tax rate in 2017 and 2016:

United States Dollar

Figures in millions unless otherwise stated

	2017	2016
Income and mining tax charge (US\$ million)	(173)	(190)
Effective tax rate (%)	113.6	53.0

In 2017, the effective tax rate of 113.6% was higher than the maximum South African mining statutory tax rate of 34%, mainly due to the tax effect of the following:

- US\$19 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;
- US\$13 million deferred tax assets not recognised on reversal of impairment of APP;
- US\$5 million deferred tax movement on Peruvian Nuevo Sol devaluation against US Dollar;
- US\$7 million utilisation of tax losses not previously recognised at Damang; and
- US\$20 million deferred tax assets recognised at Cerro Corona and Damang.

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The above were offset by the following tax-effected charges:

US\$29 million non-deductible charges comprising share-based payments (US\$9 million) and exploration expense (US\$20 million);

US\$24 million non-deductible interest paid;

US\$95 million impairment of South Deep goodwill;

US\$13 million deferred tax assets not recognised at Cerro Corona and Damang;

US\$5 million of net non-deductible expenditure and non-taxable income;

US\$10 million deferred tax raised on unremitted earnings at Tarkwa; and

US\$5 million of various Peruvian non-deductible expenses.

In 2016, the effective tax rate of 53.0% was higher than the maximum South African mining statutory tax rate of 34%, mainly due to the tax effect of the following:

US\$22 million adjustment to reflect the actual realised company tax rates in South Africa and offshore;

US\$9 million deferred tax released on the reduction of corporate tax rate at the Ghanaian operations, partially offset by the increase in tax rate at Cerro Corona;

US\$6 million non-taxable profit on the buy-back of notes; and

US\$1 million non-taxable profit on disposal of investments.

The above were offset by the following tax-effected charges:

US\$20 million non-deductible charges comprising share-based payments (US\$5 million) and exploration expense (US\$15 million);

US\$24 million non-deductible interest paid;

US\$1 million deferred tax charge on Peruvian Nuevo Sol devaluation against US Dollar;

US\$35 million deferred tax assets not recognised at Cerro Corona and Damang;

US\$10 million of net non-deductible expenditure and non-taxable income;

US\$1 million of non-deductible share of results of associates after taxation; and

US\$8 million of various Peruvian non-deductible expenses.

(Loss)/profit from continuing operations

As a result of the factors discussed above, a loss from continuing operations of US\$21 million in 2017 compared with a profit from continuing operations of US\$168 million in 2016.

As a result of the correction of the amortisation and depreciation methodology at the Australian operations, the profit from continuing operations in 2016 decreased by 3% from US\$173 million to US\$168 million.

DISCONTINUED OPERATIONS

Profit from discontinued operations, net of tax

Profit from discontinued operations was US\$13 million in 2017 compared to US\$1 million in 2016.

The main reason for the increase was the profit on disposal of Darlot of US\$24 million (US\$16 million after tax) partially offset by the loss from operating activities relating to nine months to 30 September 2017 (disposal date) of US\$3 million in 2017 as compared to profit from operating activities of US\$1 million in 2016.

Revenue decreased by 41% from US\$83 million in the 12 months to December 2016 to US\$49 million in the nine months to September 2017. Gold sales decreased by 41% from 66,400 ounces for the 12 months to December 2016 to 39,200 ounces for the nine months to September 2017 due to lower grades mined and a three-month shorter period accounted for in 2017.

Cost of sales before gold inventory change and amortisation and depreciation decreased by 21% from A\$77 million (US\$57 million) in the 12 months to December 2016 to A\$61 million (US\$46 million) for the nine months to September 2017 due to a three-month shorter period in 2017.

In terms of gold inventory change, the charge to costs of A\$1 million (US\$1 million) for the nine months to September 2017 compared with A\$1 million (US\$nil million) for the 12 months to December 2016.

Amortisation and depreciation decreased by 79% from A\$19 million (US\$14 million) for the 12 months to December 2016 to A\$4 million (US\$4 million) to the nine months to September 2017 due to a lower property, plant and equipment balance at end of 2016 due to limited life-of-mine as well as a three-month shorter period accounted for in 2017.

Other costs decreased by 71% from US\$7 million in 2016 to US\$2 million in 2017 in line with reduction of activities.

Royalties decreased by 50% from US\$2 million in 2016 to US\$1 million in 2017 in line with lower revenue on which they are calculated.

Mining and income tax increased by 500% from US\$1 million in 2016 to US\$6 million in 2017 due to the taxation charge on the profit realised on disposal of Darlot of US\$24 million.

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AISC and AIC discontinued operation

At the discontinued operation, Darlot, all-in sustaining costs and total all-in costs increased by 13% from A\$1,662 per ounce (US\$1,238 per ounce) in for the 12 months in 2016 to A\$1,874 per ounce (US\$1,432 per ounce) for the nine months to December 2017 due to lower gold sold and a higher gold inventory charge to costs compared to a credit to costs in 2016, partially offset by lower cost of sales before gold inventory change and amortisation and depreciation and lower capital expenditure.

(Loss)/profit for the year continuing and discontinued operations

A loss of US\$8 million in 2017 compared with a profit of US\$169 million in 2016.

As a result of the correction of the amortisation and depreciation methodology at the Australian operations, the profit for the year in 2016 decreased by 3% from US\$174 million to US\$169 million.

(Loss)/profit attributable to owners of the parent

A loss attributable to owners of the parent of US\$19 million in 2017 compared to a profit of US\$158 million in 2016.

The loss attributable to owners of the parent of US\$19 million in 2017 comprised US\$32 million loss attributable to owners of the parent from continuing operations and US\$13 million profit attributable to owners of the parent from discontinued operations.

The profit attributable to owners of the parent of US\$158 million in 2016 comprised US\$157 million profit attributable to owners of the parent from continuing operations and US\$1 million profit attributable to owners of the parent from discontinued operations.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests remained flat at US\$11 million.

The non-controlling interest consists of Gold Fields Ghana (Tarkwa) and Abooso Goldfields (Damang) at 10% each at the end of 2017 and 2016 and Gold Fields La Cima (Cerro Corona) at 0.47% at the end of 2017 and 2016.

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The amount making up the non-controlling interest is shown below:

	2017	2016	2017	2016
	Minority interest Effective*	Minority interest Effective*	US\$ million	US\$ million
Gold Fields Ghana Limited Tarkwa	10.0%	10.0%	9	12
Abosso Goldfields Damang	10.0%	10.0%	2	(1)
Gold Fields La Cima Cerro Corona	0.47%	0.47%	11	11

**Average for the year.*

(Loss)/earnings per share from continuing operations

As a result of the above, Gold Fields loss of US\$0.04 per share from continuing operations in 2017 compared with earnings of US\$0.19 per share from continuing operations in 2016.

Earnings per share from discontinued operations

Earnings of US\$0.02 per share from discontinued operations in 2017 compared with US\$nil earnings per share from discontinued operations in 2016.

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of the financial statements (continued)

**LIQUIDITY AND CAPITAL RESOURCES YEARS ENDED 31 DECEMBER 2018 AND
31 DECEMBER 2017 CASH RESOURCES**

Cash flows from operating activities

Cash inflows from operating activities decreased by 27% from US\$762 million in 2017 to US\$558 million in 2018. The items comprising these are discussed below.

CONTINUING OPERATIONS

Cash generated by continuing operations decreased by 26% from US\$756 million in 2017 to US\$558 million in 2018.

The decrease of US\$198 million was due to:

Figures in millions unless otherwise stated

	United States Dollar
Decrease in cash generated from operations due to lower gold sold and higher restructuring costs	(289)
Increase in interest received due to higher cash balances	2
Decrease in investment in working capital ¹	53
Increase in interest paid due to higher borrowings	(1)
Decrease in taxes paid	23
Decrease in dividends paid due to lower normalised earnings, partially offset by higher dividends paid to non-controlling interests	14
	(198)

¹ In 2017, A\$78 million (US\$60 million) payment was made in respect of the deferred portion of the purchase price of the Group's 50% share of the Gruyere Gold project.

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Dividends paid decreased from US\$71 million in 2017 to US\$57 million in 2018. The dividends paid of US\$57 million in 2018 comprised dividends paid to ordinary shareholders of US\$45 million, dividends paid to non-controlling interests in Ghana and Peru of US\$10 million and South Deep BEE dividend of US\$2 million.

The dividends paid of US\$71 million in 2017 comprised dividends paid to ordinary shareholders of US\$63 million, dividends paid/advanced to non-controlling interests in Ghana and Peru of US\$6 million and South Deep BEE dividend of US\$2 million.

DISCONTINUED OPERATIONS

Cash generated by discontinued operations decreased from US\$7 million in 2017 to US\$nil in 2018 due to the sale of Darlot in 2017.

Cash flows from investing activities

Cash outflows from investing activities decreased by 2% from US\$909 million in 2017 to US\$887 million in 2018.

CONTINUING OPERATIONS

Cash utilised in continuing operations decreased by 2% from US\$902 million in 2017 to US\$887 million in 2018.

The decrease of US\$15 million was due to:

Figures in millions unless otherwise stated

	United States Dollar
Decrease in additions to property, plant and equipment	19
Increase in proceeds on disposal of property, plant and equipment	56
Purchase of Asanko Gold joint venture investment	(165)
Decrease in purchase of investments	61
Increase in proceeds on disposal of investments	1
Proceeds on disposal of APP 2018	40
Proceeds on disposal of Darlot 2017	(5)
Decrease in environmental trust funds and rehabilitation payments	9
	15

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **109****Additions to property, plant and equipment**

Capital expenditure increased by 2% from US\$834 million in 2017 to US\$814 million in 2018.

United States Dollar

Figures in millions unless

otherwise stated

	2018			2017		
	Remaining capital	Growth capital	Total capital	Remaining capital	Growth capital	Total capital
South Deep	40	18	58	66	17	82
South African region	40	18	58	66	17	82
Tarkwa	156		156	181		181
Damang	14	125	139	17	115	132
Asanko ¹	8	5	13			
Ghanaian region	178	130	308	198	115	313
Cerro Corona	33		33	34		34
South American region	33		33	34		34
St Ives	127		127	156		156
Agnew/Lawlers	73		73	74		74
Granny Smith	79		79	87		87
Australian region	279		279	317		317
Gruyere		134	134		81	81
Other	2	13	15	3	4	7
Capital expenditure						
(including Asanko)	532	295	827	617	217	834
Capital expenditure	524	290	814	617	217	834

(excluding Asanko)

¹ *Equity accounted joint venture.*

Capital expenditure at South Deep in South Africa decreased by 30% from R1,099 million (US\$82 million) in 2017 to R770 million (US\$58 million) in 2018. The capital expenditure of R770 million (US\$58 million) in 2018 comprised R528 million (US\$40 million) sustaining capital and R242 million (US\$18 million) growth capital. The capital expenditure of R1,099 million (US\$82 million) in 2017 comprised R874 million (US\$66 million) sustaining capital and R225 million (US\$17 million) growth capital.

This decrease was due to lower spending on fleet and surface infrastructure, partially offset by higher expenditure on new mine development infrastructure and more metres developed compared to 2017.

Capital expenditure at the Ghanaian operations (excluding Asanko) decreased by 6% from US\$313 million in 2017 to US\$295 million in 2018:

Tarkwa decreased by 14% from US\$181 million in 2017 to US\$156 million in 2018 mainly due to the lower expenditure on mining fleet as a consequence of the conversion from owner mining to contractor mining. All capital related to sustaining capital;

Damang increased by 5% from US\$132 million in 2017 to US\$139 million in 2018 with the majority spent on waste stripping due to the reinvestment project. The capital expenditure of US\$139 million in 2018 comprised US\$14 million sustaining capital and US\$125 million growth capital. The capital expenditure of US\$132 million in 2017 comprised US\$17 million sustaining capital and US\$115 million growth capital; and

Asanko incurred total capital expenditure of US\$13 million for the five months ended December 2018 comprising sustaining capital expenditure of US\$8 million and non-sustaining capital expenditure of US\$5 million. Non-sustaining capital expenditure included construction of the haul road and other expenditure related to the Esaase project, which commenced production in early 2019. (Asanko is an equity accounted joint venture and not included in the Group or Ghanaian operation's figures.)

Capital expenditure at Cerro Corona in Peru decreased by 3% from US\$34 million in 2017 to US\$33 million in 2018. All capital related to sustaining capital:

The decrease is due to lower expenditure on the tailings dam and waste storage facilities.

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Management's discussion and analysis

of the financial statements (continued)

Capital expenditure at the Australian operations decreased by 10% from A\$414 million (US\$317 million) in 2017 to A\$373 million (US\$279 million):

St Ives decreased by 17% from A\$204 million (US\$156 million) to A\$170 million (US\$127 million) in 2018 mainly due to lower capital development in the open pits following completion of mining activities at Invincible open pit stage 5 (A\$54 million/US\$41 million), partially offset by increased capital development at the new Invincible underground mine (A\$25 million/US\$19 million);

Agnew/Lawlers increased by 2% from A\$96 million (US\$74 million) to A\$98 million (US\$73 million) in 2018. Capital expenditure in 2018 included A\$7 million (US\$5 million) for the new camp. All capital related to sustaining capital; and

Granny Smith decreased by 8% from A\$114 million (US\$87 million) to A\$105 million (US\$79 million) in 2018 due to the completion of the VR8 ventilation shaft in 2017. The majority of capital expenditure related to development and infrastructure at the Wallaby mine, exploration and the development of a paste plant and associated infrastructure. All capital related to sustaining capital.

Capital expenditure at Gruyere increased by 70% from A\$106 million (US\$81 million) to A\$180 million (US\$134 million) due to project construction activities. All capital related to growth capital.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment increased by 243% from US\$23 million in 2017 to US\$79 million in 2018. In 2018, the proceeds related mainly to the disposal of fleet in Tarkwa of US\$73 million as part of the conversion to contractor mining and the balance related to the sale of various redundant assets. In 2017, the proceeds related mainly to the disposal of fleet in Damang of US\$17 million and the balance related to the sale of various redundant assets.

Purchase of Asanko Gold joint venture investment

Purchase of Asanko of US\$165 million in 2018 related to the JV transaction with Asanko which was completed on 31 July 2018. Gold Fields acquired a 50% stake in Asanko's 90% interest in the Asanko Gold Mine in Ghana.

Purchase of investments

Investment purchases decreased by 76% from US\$80 million in 2017 to US\$19 million in 2018.

The purchase of investments of US\$19 million in 2018 comprised:

Figures in millions unless otherwise stated

Asanko Gold Inc
Lefroy Exploration Limited

United States Dollar
18
1
19

The purchase of investments of US\$80 million in 2017 comprised:

Figures in millions unless otherwise stated

Red 5 Limited
Cardinal Resources Limited
Gold Road Resources Limited

United States Dollar
5
20
55
80

Proceeds on disposal of investments

Proceeds on the disposal of investments increased by 100% from US\$nil in 2017 to US\$1 million in 2018.

The proceeds on disposal of investments of US\$1 million in 2018 related to the disposal of various investments.

Proceeds on disposal of APP

On 24 January 2018, Gold Fields sold APP to a Finnish subsidiary of private equity fund CD Capital Natural Resources Fund III for US\$40 million.

Proceeds on disposal of Darlot

In 2017, Gold Fields sold the Darlot mine in Western Australia, through a wholly owned subsidiary, to ASX-listed Red 5 Limited (Red 5) for a total consideration of A\$18.5 million, comprising A\$12 million in cash and 130 million Red 5 shares. The cash component was made up of an upfront amount of A\$7 million (US\$5 million) which could be converted into participation in a Red 5 rights issue and A\$5 million deferred for up to 24 months. The deferred consideration may be taken as additional shares in Red 5 or as cash at Gold Fields election. The gain on disposal of Darlot was A\$31 million (US\$24 million).

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The Gold Fields Annual Financial Report including Governance Report 2018 **111**

The sale of Darlot was completed on 2 October 2017. Gold Fields received the relevant cash consideration of US\$5 million and converted it into participation in a rights issue, as well as the issue of the Red 5 shares as part of the consideration. Gold Fields participated in a rights issue by Red 5 and received 117 million additional shares valued at A\$6 million (US\$5 million). Gold Fields has a 19.9% shareholding in Red 5 with a market value of A\$15 million (US\$11 million).

Contributions to environmental trust funds

The contributions to environmental trust fund decreased by 53% from US\$17 million in 2017 to US\$8 million in 2018.

The contributions to environmental trust funds of US\$8 million in 2018 comprised:

Figures in millions unless otherwise stated

South Deep mine environmental trust fund
Tarkwa mine environmental trust fund

United States Dollar	
	1
	7
	8

The contributions to environmental trust funds of US\$17 million in 2017 comprised:

Figures in millions unless otherwise stated

South Deep mine environmental trust fund

United States Dollar	
	3

Tarkwa mine environmental trust fund	6
Ongoing rehabilitation payments ¹	8
	17

¹ Ongoing rehabilitation payments were allocated to cash flows from operating activities in 2018.

DISCONTINUED OPERATIONS

Cash utilised in discontinued operations decreased by 100% from US\$7 million in 2017 to US\$nil in 2018 due to the sale of Darlot in 2017.

Cash flows from financing activities

Cash inflows from financing activities increased by 206% from US\$84 million in 2017 to US\$257 million in 2018. The items comprising these numbers are discussed below.

CONTINUING OPERATIONS

Cash generated by continuing operations increased by 206% from US\$84 million in 2017 to US\$257 million in 2018.

The increase of US\$173 million was due to:

Figures in millions unless otherwise stated

	United States Dollar
Decrease in loans raised	(88)
Decrease in loans repaid	264
Increase in payment of finance lease liability	(3)
	173

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Management's discussion and analysis

of the financial statements (continued)

Loans raised

Loans raised decreased by 11% from US\$780 million in 2017 to US\$692 million in 2018.

The US\$692 million loans raised in 2018 comprised:

Figures in millions unless otherwise stated

A\$500 million syndicated revolving credit facility
 US\$1,290 million term loan and revolving credit facilities
 R1,500 million Nedbank revolving credit facility
 R500 million Standard Bank revolving credit facility¹
 R500 million Absa revolving credit facility²
 Short-term Rand uncommitted credit facilities

**United
 States
 Dollar**

**120
 383
 21
 14
 36
 118
 692**

Credit facilities financing and refinancing

¹ On 27 March 2017, Gold Fields Operations Limited and GFI Joint Venture Holdings Proprietary Limited entered into a R500 million revolving credit facility with the Standard Bank of South Africa Limited which became available on 31 March 2017. The purpose of this facility was to fund (i) capital expenditure of the Gold Fields group, and (ii) general corporate and working requirements of the Gold Fields group. The final maturity date of this facility is three years from the financial close date, namely 31 March 2020. The Group only drew down under this facility in 2018.

² On 27 March 2017, Gold Fields Operations Limited and GFI Joint Venture Holdings Proprietary Limited entered into a R500 million revolving credit facility with Absa Bank Limited which became available on 31 March 2017. The purpose of this facility was to fund (i) capital expenditure of the Gold Fields group, and (ii) general corporate and working requirements of the Gold Fields group. The final maturity date of this facility is three years from the financial close date, namely 31 March 2020. The Group only drew down

under this facility in 2018.

The US\$780 million loans raised in 2017 comprised:

Figures in millions unless otherwise stated

	United States Dollar
US\$150 million revolving senior secured credit facility ¹ new	84
US\$100 million revolving senior secured credit facility ²	45
A\$500 million syndicated revolving credit facility ³	237
US\$1,290 million term loan and revolving credit facilities	73
R1,500 million Nedbank revolving credit facility	79
Short-term Rand uncommitted credit facilities	262
	780

Credit facilities financing and refinancing

¹ On 19 September 2017, Gold Fields La Cima S.A. entered into a US\$150 million revolving senior secured credit facility with Banco de Crédito del Perú and Scotiabank Perú S.A.A. which became available on 20 September 2017. The purpose of this facility was (i) to refinance the US\$200 million revolving senior secured credit facility; (ii) to finance the working capital requirements of the borrower; and (iii) for the general corporate purposes of the borrower. The final maturity date of this facility is three years from the date of the agreement, namely 19 September 2020.

² On 12 June 2017, Gold Fields Ghana Limited and Abooso Goldfields Limited entered into a US\$100 million senior secured revolving credit facility with the Standard Bank of South Africa Limited (acting through its Isle of Man branch) which became available on 17 July 2017. The purpose of this facility was (i) to refinance the outstanding balance of US\$45 million under the US\$70 million senior secured revolving credit facility (which matured on 17 July 2017); (ii) to finance working capital requirements; (iii) for general corporate purposes; and (iv) for capital expenditure purposes of each borrower. The final maturity date of this facility is three years from the financial close date, namely 17 July 2020.

³ On 24 May 2017, Gruyere Holdings entered into a A\$500 million revolving credit facility which became available on 13 June 2017 with a syndicate of international banks and financial institutions. The purpose of this facility is to finance capital expenditure in respect of the Gruyere Gold project and to fund general working capital requirements. The final maturity date of this facility is three years from the agreement date, namely 13 June 2020.

Loans repaid

Loans repaid decreased by 38% from US\$696 million in 2017 to US\$432 million in 2018.

The US\$432 million loans repaid in 2018 comprised:

Figures in millions unless otherwise stated

	United States Dollar
US\$1,290 million term loan and revolving credit facility	180
R1,500 million Nedbank revolving credit facility	108
Short-term Rand uncommitted credit facilities	144

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The US\$696 million loans repaid in 2017 comprised:

Figures in millions unless otherwise stated

US\$150 million revolving senior secured credit facility old
 US\$70 million revolving senior secured credit facility
 US\$1,290 million term loan and revolving credit facility
 Short-term Rand uncommitted credit facilities

**United
 States
 Dollar**

**82
 45
 352
 217
 696**

Payment of finance lease liabilities

The US\$3 million payment in 2018 related mainly to the power purchase agreements entered into at Gruyere and Granny Smith.

DISCONTINUED OPERATIONS

Cash generated by discontinued operations was US\$nil in 2018 and 2017.

Net cash utilised

As a result of the above, net cash utilised increased by 16% from US\$62 million in 2017 to US\$72 million in 2018.

Cash and cash equivalents decreased by 16% from US\$479 million at 31 December 2017 to US\$400 million at 31 December 2018.

Cash flow from operating activities less net capital expenditure, environmental payments and finance lease payments (net cash flow)

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This is a measure that management uses to measure the cash generated by the core business. Cash flow from operating activities less net capital expenditure, environmental payments and finance lease payments is defined as net cash from operations adjusted for South Deep BEE dividend, additions to property, plant and equipment, proceeds on disposal of property, plant and equipment, environmental trust funds payments and finance lease payments per the statement of cash flows.

The cash outflow increased from US\$2 million in 2017 to US\$132 million in 2018. The main reasons for the increase was that net cash from operations decreased from US\$826 million in 2017 to US\$615 million in 2018 mainly due to lower gold sold, higher restructuring costs, partially offset by lower taxes paid and lower investment in working capital. Additions to property plant and equipment decreased from US\$834 million in 2017 to US\$814 million in 2018 due to a decrease in sustaining capital across all operations, partially offset by an increase in growth capital, being growth capital at Damang of US\$125 million (2017: US\$115 million), the growth capital at South Deep of US\$18 million (2017: US\$17 million) and Gruyere project capital of US\$134 million (2017: US\$81 million).

Below is a table reconciling the cash flow from operating activities less net capital expenditure, environmental payments and finance lease payments to the statement of cash flows.

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Net cash from operations	615	826
South Deep BEE dividend	(2)	(1)
Additions to property, plant and equipment	(814)	(834)
Proceeds on disposal of property, plant and equipment	79	23
Environmental trust funds and rehabilitation payments	(8)	(16)
Finance lease payments	(2)	
Cash flow from operating activities less net capital expenditure, environmental payments and finance lease payments	(132)	(2)

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Management's discussion and analysis
of the financial statements (continued)

Below is a table providing a breakdown of how the cash was utilised by the Group.

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Net cash generated by mines before growth capital	334	441
Damang growth capital	(125)	(115)
South Deep growth capital	(18)	(17)
Net cash generated after growth capital	191	309
Gruyere project capital	(134)	(81)
Gruyere deferred payment and stamp duty		(60)
Salares Norte	(77)	(53)
Other exploration	(5)	(5)
Interest paid by corporate entities ¹	(75)	(72)
Other corporate costs and South Deep BEE dividend	(32)	(40)
Net outflow from operating activities less net capital expenditure and environmental payments	(132)	(2)

¹ Does not agree to interest paid per the cash flow of US\$91 million due to interest paid by the mines reflected under net cash generated by mines before growth capital.

LIQUIDITY AND CAPITAL RESOURCES – YEARS ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016 CASH RESOURCES

Cash flows from operating activities

Cash inflows from operating activities decreased by 17% from US\$918 million in 2016 to US\$762 million in 2017. The items comprising these are discussed below.

CONTINUING OPERATIONS

Cash inflows from operating activities from continuing operations decreased by 16% from US\$896 million in 2016 to US\$756 million in 2017.

The decrease of US\$140 million was due to:

Figures in millions unless otherwise stated

	United States Dollar
Increase in cash generated from operations due to higher revenue	42
Decrease in interest received due to lower cash balances	(2)
Increase in investment in working capital ¹	(67)
Increase in interest paid due to higher borrowings	(9)
Decrease in royalties paid due to lower royalty rates in Ghana	10
Increase in taxes paid	(84)
Increase in dividends paid due to higher normalised earnings and higher dividends paid/advanced to non-controlling interests	(30)
	(140)

¹ *Mainly due to A\$78 million (US\$60 million) payment made in respect of the deferred portion of the purchase price of the Group's 50% share of the Gruyere Gold project.*

Dividends paid increased from US\$41 million in 2016 to US\$71 million in 2017. The dividends paid of US\$71 million in 2017 comprised dividends paid to ordinary shareholders of US\$63 million, dividends paid/advanced to non-controlling interests in Ghana and Peru of US\$6 million and South Deep BEE dividend of US\$2 million.

The dividends paid of US\$41 million in 2016 comprised dividends paid to ordinary shareholders of US\$39 million, non-controlling interests in Peru of US\$1 million and South Deep BEE dividend of US\$1 million.

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **115****DISCONTINUED OPERATIONS**

Cash inflows from discontinued operating activities decreased by 68% from US\$22 million in 2016 to US\$7 million in 2017 mainly due to higher tax paid as well as the three-month shorter period accounted for in 2017.

Cash flows from investing activities

Cash outflows from investing activities increased by 5% from US\$868 million in 2016 to US\$909 million in 2017.

The increase of US\$41 million comprises an increase of US\$55 million for continuing operations and a decrease of US\$14 million for discontinued operations. The increase of US\$55 million was due to:

Figures in millions unless otherwise stated

	United States Dollar
Increase in additions to property, plant and equipment	(205)
Increase in proceeds on disposal of property, plant and equipment	21
Purchase of Gruyere Gold project assets	197
Increase in purchase of investments	(67)
Decrease in proceeds on disposal of investments	(4)
Proceeds on disposal of Darlot	5
Increase in environmental trust funds and rehabilitation payments	(2)
	(55)

CONTINUING OPERATIONS

Cash outflows from investing activities from continuing operations increased by 7% from US\$846 million in 2016 to US\$902 million in 2017. The increase of US\$56 million was due to reasons described below.

Additions to property, plant and equipment

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Capital expenditure increased by 33% from US\$629 million in 2016 to US\$834 million in 2017.

United States Dollar

2017

2016

Figures in millions unless

otherwise stated

	Sustaining capital	Growth capital	Total capital	Sustaining capital	Growth capital	Total capital
South Deep	66	17	82	70	8	78
South African region	66	17	82	70	8	78
Tarkwa	181		181	168		168
Damang	17	115	132	38		38
Ghanaian region	198	115	313	206		206
Cerro Corona	34		34	43		43
South American region	34		34	43		43
St Ives	156		156	140		140
Agnew/Lawlers	74		74	70		70
Granny Smith	87		87	90		90
Australian region	317		317	300		300
Gruyere		81	81			
Other	3	4	7		1	1
Capital expenditure	617	217	834	620	9	629

Capital expenditure at South Deep in South Africa decreased by 4% from R1,145 million (US\$78 million) in 2016 to R1,099 million (US\$82 million) in 2017. The capital expenditure of R1,099 million (US\$82 million) in 2017 comprised R874 million (US\$66 million) sustaining capital and R225 million (US\$17 million) growth capital. The capital expenditure of R1,145 million (US\$78 million) in 2016 comprised R1,030 million (US\$70 million) sustaining capital and R115 million (US\$8 million) growth capital:

This decrease was due to lower spending on fleet, partially offset by higher expenditure on new mine development infrastructure and refrigeration infrastructure.

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Management's discussion and analysis

of the financial statements (continued)

Capital expenditure at the Ghanaian operations increased by 52% from US\$206 million in 2016 to US\$313 million in 2017:

Tarkwa increased by 8% from US\$168 million to US\$181 million mainly due to the higher spend on mining fleet in 2017. All capital related to sustaining capital; and

Damang increased by 247% from US\$38 million to US\$132 million with the majority spent on waste stripping with the commencement of the reinvestment project. The capital expenditure of US\$132 million in 2017 comprised US\$17 million sustaining capital and US\$115 million growth capital. The capital expenditure of US\$38 million in 2016 comprised US\$38 million sustaining capital and US\$nil million growth capital.

Capital expenditure at Cerro Corona in Peru decreased by 21% from US\$43 million in 2016 to US\$34 million in 2017. All capital related to sustaining capital:

The decrease is due to lower expenditure on construction of the tailings dam and waste storage facilities, as a result of optimising the design and scope of the tailings dam and waste storage facilities as well as the renegotiation of the construction contract in 2017.

Capital expenditure at the Australian operations increased by 3% from A\$403 million (US\$300 million) in 2016 to A\$414 million (US\$317 million) in 2017:

St Ives increased by 9% from A\$188 million (US\$140 million) to A\$204 million (US\$156 million) due to increased expenditure on pre-stripping at the Invincible underground mine. All capital related to sustaining capital;

Agnew/Lawlers increased by 2% from A\$94 million (US\$70 million) to A\$96 million (US\$74 million) due to the crushing facility purchased for A\$5 million (US\$4 million). All capital related to sustaining capital;

Granny Smith decreased by 6% from A\$121 million (US\$90 million) to A\$114 million (US\$87 million). The majority of expenditure related to development and infrastructure at the Wallaby mine, exploration and purchases of mobile equipment. All capital related to sustaining capital; and

Gruyere increased by 9% from A\$nil million (US\$nil million) to A\$106 million (US\$81 million) due to project construction activities. All capital related to growth capital.

Proceeds on disposal of property, plant and equipment

Proceeds on the disposal of property, plant and equipment increased by 1,050% from US\$2 million in 2016 to US\$23 million in 2017. In 2017, the US\$23 million related mainly to the proceeds on disposal of fleet in Damang of US\$17 million and the balance related to the sale of various redundant assets. In 2016, the US\$2 million related to the sale of various redundant assets.

Purchase of Gruyere Gold project assets

On 13 December 2016, Gold Fields purchased 50% of the Gruyere Gold project and entered into a 50:50 unincorporated joint venture with Gold Road Resources Limited (Gold Road) for the development and operation of the Gruyere Gold project in Western Australia, which comprises the Gruyere gold deposit as well as additional resources including Central Bore and Attila/Alaric.

Gold Fields acquired a 50% interest in the Gruyere Gold project for a total purchase consideration of A\$350.0 million payable in cash and a 1.5% royalty on Gold Fields' share of production after total mine production exceeds 2 million ounces. The cash consideration is split with A\$250.0 million payable on effective date and A\$100.0 million payable according to an agreed construction cash call schedule. Transaction and stamp duty costs of US\$19 million were incurred.

At 31 December 2016, Gruyere mining assets of US\$276 million (A\$372 million) were capitalised of which US\$197 million (A\$266 million) were cash additions and US\$79 million (A\$106 million) were non-cash additions.

The US\$197 million (A\$266 million) cash additions comprise the initial cash consideration of A\$250 million payable, as well as additional development costs. The US\$79 million (A\$106 million) non-cash additions comprise the initial A\$100 million payable, as well as stamp duties payable. Of the initial A\$100 million payable, A\$7 million was paid in 2016, A\$78 million in 2017 and A\$15 million remains outstanding at 31 December 2017.

Purchase of investments

Investment purchases increased by 515% from US\$13 million in 2016 to US\$80 million in 2017.

The purchase of investments of US\$80 million in 2017 comprised:

Figures in millions unless otherwise stated

Red 5 Limited
 Cardinal Resources Limited
 Gold Road Resources Limited

United States Dollar	
	5
	20
	55
	80

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The purchase of investments of US\$13 million in 2016 comprised:

Figures in millions unless otherwise stated

Cardinal Resource Limited

United
States
Dollar

13
13

Proceeds on disposal of investments

Proceeds on the disposal of investments decreased from US\$4 million in 2016 to US\$nil in 2017.

The proceeds on disposal of investments of US\$4 million in 2016 comprised:

Figures in millions unless otherwise stated

Sale of shares in Sibanye Gold Limited

Sale of shares in Tocqueville Bullion Reserve Limited

United
States
Dollar

2
2
4

Proceeds on disposal of Darlot

Gold Fields sold the Darlot mine in Western Australia, through a wholly owned subsidiary, to ASX-listed Red 5 Limited (Red 5) for a total consideration of A\$18.5 million, comprising A\$12 million in cash and 130 million Red 5 shares. The cash component was made up of an upfront amount of A\$7 million (US\$5 million) which could be converted into participation in a Red 5 rights issue and A\$5 million deferred for up to 24 months. The deferred

consideration may be taken as additional shares in Red 5 or as cash at Gold Fields election. The gain on disposal of Darlot was A\$31 million (US\$24 million).

The sale of Darlot was completed on 2 October 2017. Gold Fields received the relevant cash consideration of US\$5 million and converted it into participation in a rights issue, as well as the issue of the Red 5 shares as part of the consideration. Gold Fields participated in a rights issue by Red 5 and received 117 million additional shares valued at A\$6 million (US\$5 million). Gold Fields has a 19.9% shareholding in Red 5 with a market value of A\$15 million (US\$11 million).

Environmental trust funds and rehabilitation payments

The environmental trust fund and rehabilitation payments increased by 13% from US\$15 million in 2016 to US\$17 million in 2017.

During 2017, Gold Fields paid US\$3 million into its South Deep mine environmental trust fund and US\$6 million into its Tarkwa mine environmental trust fund and spent US\$8 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US\$17 million for the year.

During 2016, Gold Fields paid US\$2 million into its South Deep mine environmental trust fund and US\$6 million into its Tarkwa mine environmental trust fund and spent US\$7 million on ongoing rehabilitation at the international operations, resulting in a total cash outflow of US\$15 million for the year.

DISCONTINUED OPERATIONS

Cash outflows from discontinued operating activities decreased by 68% from US\$22 million in 2016 to US\$7 million in 2017 due to three-months shorter period accounted for in 2017.

Cash flow from operating activities less net capital expenditure and environmental payments

This is a measure that management uses to measure the cash generated by the core business. Cash flow from operating activities less net capital expenditure and environmental payments is defined as net cash from operations adjusted for South Deep BEE dividend, additions to property, plant and equipment, proceeds on disposal of property, plant and equipment and environmental trust funds and rehabilitation payments per the statement of cash flows.

The cash outflow of US\$2 million in 2017 compared with an inflow of US\$294 million in 2016. The main reasons for the decrease was that net cash from operations decreased from US\$937 million in 2016 to US\$826 million in 2017 due to higher taxes paid and higher investment in working capital. Included in the working capital investment was the Gruyere deferred payment of US\$60 million. Additions to property, plant and equipment increased from US\$629 million in 2016 to US\$834 million in 2017 due to an increase in growth capital, being growth capital at Damang of US\$115 million (2016: US\$nil), the growth capital at South Deep of US\$17 million (2016: US\$8 million) and Gruyere project capital of US\$81 million (2016: US\$nil).

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Management's discussion and analysis

of the financial statements (continued)

Below is a table reconciling the cash flow from operating activities less net capital expenditure and environmental payments to the statement of cash flows.

United States Dollar*Figures in millions unless otherwise stated*

	2017	2016
Net cash from operations	826	937
South Deep BEE dividend	(1)	(1)
Additions to property, plant and equipment	(834)	(629)
Proceeds on disposal of property, plant and equipment	23	2
Environmental trust funds and rehabilitation payments	(16)	(15)
Cash flow from operating activities less net capital expenditure and environmental payments	(2)	294

Below is a table providing a breakdown of how the cash (utilised in)/generated by the Group.

United States Dollar*Figures in millions unless otherwise stated*

	2017	2016
Net cash generated by mines before growth capital	441	452
Damang growth capital	(115)	
South Deep growth capital	(17)	(8)
Net cash generated after growth capital	309	444
Gruyere project capital	(81)	
Gruyere deferred payment	(60)	
Salares Norte	(53)	(39)
Other exploration	(5)	(8)
Interest paid	(72)	(69)

Other corporate costs and South Deep BEE dividend	(40)	(34)
Net (outflow)/inflow from operating activities less net capital expenditure and environmental payments	(2)	294
Cash flows from financing activities		

Cash inflows from financing activities increased by 127% from US\$37 million in 2016 to US\$84 million in 2017. The items comprising these numbers are discussed below.

CONTINUING OPERATIONS

Cash inflows from financing activities from continuing operations increased by 127% from US\$37 million in 2016 to US\$84 million in 2017. The increase of US\$47 million was due to the reasons below.

Share issue

During 2016, Gold Fields completed a US\$152 million (R2.3 billion) accelerated equity raising by way of a private placement to institutional investors. A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represented a 6% discount to the 30-day volume weighted average traded price, for the period 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the placement were used to finance the buy-back of the notes.

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Loans raised decreased by 40% from US\$1,299 million in 2016 to US\$780 million in 2017.

The US\$780 million loans raised in 2017 comprised:

Figures in millions unless otherwise stated

	United States Dollar
US\$150 million revolving senior secured credit facility – new	84
US\$100 million revolving senior secured credit facility ²	45
A\$500 million syndicated revolving credit facility ³	237
US\$1,290 million term loan and revolving credit facilities	73
R1,500 million Nedbank revolving credit facility	79
Short-term Rand uncommitted credit facilities	262
	780

Credit facilities financing and refinancing

¹ On 19 September 2017, Gold Fields La Cima S.A. entered into a US\$150 million revolving senior secured credit facility with Banco de Crédito del Perú and Scotiabank Perú S.A.A. which became available on 20 September 2017. The purpose of this facility was (i) to refinance the US\$200 million revolving senior secured credit facility; (ii) to finance the working capital requirements of the borrower; and (iii) for the general corporate purposes of the borrower. The final maturity date of this facility is three years from the date of the agreement, namely 19 September 2020.

² On 12 June 2017, Gold Fields Ghana Limited and Abooso Goldfields Limited entered into a US\$100 million senior secured revolving credit facility with the Standard Bank of South Africa Limited (acting through its Isle of Man branch) which became available on 17 July 2017. The purpose of this facility was (i) to refinance the outstanding balance of US\$45 million under the US\$70 million senior secured revolving credit facility (which matured on 17 July 2017); (ii) to finance working capital requirements; (iii) for general corporate purposes; and (iv) for capital

expenditure purposes of each borrower. The final maturity date of this facility is three years from the financial close date, namely 17 July 2020.

³ On 24 May 2017, Gruyere Holdings entered into a A\$500 million revolving credit facility which became available on 13 June 2017 with a syndicate of international banks and financial institutions. The purpose of this facility is to finance capital expenditure in respect of the Gruyere Gold project and to fund general working capital requirements. The final maturity date of this facility is three years from the agreement date, namely 13 June 2020.

The US\$1,299 million loans raised in 2016 comprised:

Figures in millions unless otherwise stated

	United States Dollar
US\$150 million revolving senior secured credit facility	40
US\$1,510 million term loan and revolving credit facilities	174
US\$1,290 million term loan and revolving credit facilities ¹	708
R1,500 million Nedbank revolving credit facility	21
Short-term Rand uncommitted credit facilities	356
	1,299

Credit facilities financing and refinancing

¹ Gold Fields successfully refinanced its US\$1,440 million credit facilities due in November 2017. The new facilities amount to US\$1,290 million and comprise three tranches:

US\$380 million: three-year term loan maturing in June 2019 margin 250 basis points (bps) over LIBOR;

US\$360 million: three-year revolving credit facility (RCF) also maturing in June 2019 (with an option to extend to up to five years) margin 220bps over LIBOR; and

US\$550 million: five-year revolving credit facility maturing in June 2021 margin 245bps over LIBOR.

The new facilities were concluded with a syndicate of 15 banks. On average, the interest rate on the new facilities is similar to the interest rate on the existing facilities. A total of US\$645 million was drawn down from the new facilities on 13 June 2016 to repay the Group's existing US\$ facilities, with US\$645 million remaining unutilised. The refinancing is a key milestone in Gold Fields' balance sheet management and increases the maturity of its core debt, with the first maturity now only in June 2019 (previously November 2017).

Loans repaid

Loans repaid decreased by 51% from US\$1,413 million in 2016 to US\$696 million in 2017.

The US\$696 million loans repaid in 2017 comprised:

Figures in millions unless otherwise stated

	United States Dollar
US\$150 million revolving senior secured credit facility old	82
US\$70 million revolving senior secured credit facility	45

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US\$1,290 million term loan and revolving credit facility
Short-term Rand uncommitted credit facilities

352
217
696

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The US\$1,413 million loans repaid in 2016 comprised:

Figures in millions unless otherwise stated

	United States Dollar
US\$1 billion notes issue ¹	130
US\$1,510 million term loan and revolving credit facility	898
US\$1,290 million term loan and revolving credit facility	49
R1,500 million Nedbank revolving credit facility	21
Short-term Rand uncommitted credit facilities	315
	1,413

¹ **Bond buy-back**

On 19 February 2016, Gold Fields announced an offer to purchase US\$200 million of the US\$1 billion notes outstanding. Gold Fields accepted the purchase of an aggregate principal amount of notes equal to US\$148 million at the purchase price of US\$880 per US\$1,000 in principal amount of notes. A profit of US\$18 million was recognised on the buy-back of the notes.

Net cash (utilised)/generated

As a result of the above, net cash utilised of US\$62 million in 2017 compared to net cash generated of US\$87 million in 2016.

Cash and cash equivalents decreased from US\$527 million at 31 December 2016 to US\$479 million at 31 December 2017.

STATEMENT OF FINANCIAL POSITION

Borrowings

Total debt (short and long term) increased from US\$1,782 million at 31 December 2017 to US\$2,012 million at 31 December 2018. Net debt (total debt less cash and cash equivalents) increased from US\$1,303 million at 31 December 2017 to US\$1,612 million as a result of higher debt and lower cash balances.

The Group monitors capital using the ratio of net debt to adjusted EBITDA. Adjusted EBITDA is defined as profit or loss for the year adjusted for interest, taxation, amortisation and depreciation and certain other costs. The definition of adjusted EBITDA is as defined in the US\$1,290 million term loan and revolving credit facilities agreement. Net debt is defined as total borrowings less cash and cash equivalents. The Group's long-term target is a ratio of net debt to adjusted EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to adjusted EBITDA ratio of 2.5 or below and the ratio is measured based on amounts in United States Dollar. Net debt to adjusted EBITDA at 31 December 2018 was 1.45 (2017: 1.03). Refer to note 39.

Provisions

Long-term provisions decreased from US\$321 million at 31 December 2017 to US\$320 million in 2018 and included the following.

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Provision for environmental rehabilitation costs	290	282
Silicosis settlement costs	25	32
Other provisions	5	8
Total long-term provisions	320	321
Provision for environmental rehabilitation costs		

The amount provided for environmental rehabilitation costs increased from US\$282 million at 31 December 2017 to US\$290 million at 31 December 2018. The increase is largely due to the increase of the gross environmental rehabilitation costs at South Deep, St Ives, Granny Smith, Gruyere and Cerro Corona, partially offset by higher discount rates in Ghana and exchange rate movements. This provision represents the present value of closure, rehabilitation and other environmental obligations up to 31 December 2018. This provision is updated annually to take account of inflation, the time value of money and any new environmental obligations incurred.

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The inflation and range of discount rates applied in 2018 and 2017 for each region are shown in the table below:

	South Africa	Ghana	Australia	Peru	Chile
Inflation rates					
2018	5.5%	2.2%	2.5%	2.2%	2.2%
2017	5.5%	2.2%	2.5%	2.2%	
Discount rates					
2018	10.0%	10.3%	2.3	2.5%	4.2%
2017	9.8%	9.2	9.3%	2.6	2.9%

The interest charge remained flat at US\$12 million.

Adjustments for new disturbances and changes in environmental legislation during 2018 and 2017, after applying the above inflation and discount rates were:

	United States Dollar	
	2018	2017
Ghana	(9)	
Australia	22	(3)
Peru	10	(2)
Total	23	(5)

Figures in millions unless otherwise stated

The South African and Ghanaian operations contribute to a dedicated environmental trust fund and a dedicated bank account, respectively, to provide financing for final closure and rehabilitation costs. The amount invested in the fund is shown as a non-current asset in the financial statements and increased from US\$56 million at 31 December 2017 to

US\$61 million at 31 December 2018. The increase is mainly as a result of contributions amounting to US\$8 million and interest income of US\$1 million. The South African and Ghanaian operations are required to contribute annually to the trust fund over the remaining lives of the mines, to ensure that sufficient funds are available to discharge commitments for future rehabilitation costs.

Silicosis settlement costs provision

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD)) as well as noise-induced hearing loss (NIHL).

A consolidated application was brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application.

The Occupational Lung Disease Working Group was formed in fiscal 2014 to address issues relating to compensation and medical care for occupational lung disease in the South African gold mining industry.

The Working Group, made up of African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Gold Fields, Harmony and Sibanye-Stillwater, had extensive engagements with a wide range of stakeholders since its formation, including government, organised labour, other mining companies and the legal representatives of claimants who have filed legal actions against the companies.

The members of the Working Group are among respondent companies in a number of legal proceedings related to occupational lung disease, including the class action referred to above. The Working Group is, however, of the view that achieving a comprehensive settlement, which is both fair to past, present and future employees and sustainable for the sector, is preferable to protracted litigation.

This matter was previously disclosed as a contingent liability as the amount could not be estimated reliably. As a result of the ongoing work of the Working Group and engagements with affected stakeholders since 31 December 2016, it has now become possible for Gold Fields to reliably estimate its share in the estimated cost in relation to the Working Group of a possible settlement of the class action claims and related costs. As a result, Gold Fields has provided an amount of US\$25 million (R368 million) (2017: US\$32 million (R402 million)) for this obligation in the statement of financial position at 31 December 2018. The nominal amount of this provision is US\$35 million (R507 million) (2017: US\$41 million (R509 million)).

The assumptions that were made in the determination of the provision include silicosis prevalence rates, estimated settlement per claimant, benefit take-up rates and disease progression rates. A discount rate of 8.24% was used, based on government bonds with similar terms to the anticipated settlement costs.

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The ultimate outcome of these matters remains uncertain, with a possible failure to reach a settlement or to obtain the requisite court approval for a potential settlement. The provision is consequently subject to adjustment in the future, depending on the progress of the Working Group discussions, stakeholder engagements and the ongoing legal proceedings. Refer note 35 for further details.

Other long-term provisions

Other long-term provisions decreased from US\$8 million at 31 December 2017 to US\$5 million at 31 December 2018 and include the South Deep dividend of US\$5 million (2017: US\$7 million) and other provisions of US\$nil (2017: US\$1 million).

Credit facilities

At 31 December 2018, the Group had unutilised committed banking facilities available under the following facilities, details of which are discussed in note 24:

- US\$707 million available under the US\$1,290 million term loan and revolving credit facilities;
- US\$67 million available under the US\$150 million revolving senior secured credit facility;
- US\$55 million available under the US\$100 million senior secured revolving credit facility;
- A\$50 million (US\$35 million) under the A\$500 million syndicated revolving credit facility;
- R1,500 million (US\$103 million) available under the R1,500 million Nedbank revolving credit facility; and
- R300 million (US\$21 million) available under the R500 million Standard Bank revolving credit facility.

Substantial contractual arrangements for uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal contingency funding requirements.

As of the date of this report, the Group was not in default under the terms of any of its outstanding credit facilities.

US\$1 billion notes issue

In addition, the Company holds US\$148.0 million principal amount of the US\$1 billion notes issue (the notes), which it repurchased in 2016 and which can be resold (in whole or in part) subject to market conditions. There is no guarantee, however, that the notes can be resold at a price satisfactory to the Company or at all. In accordance with the

terms and conditions of the notes, any such resale would need to take place outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933.

Contractual obligations and commitments as at 31 December 2018

United States Dollar

Figures in millions unless otherwise stated

Borrowings

Notes issue

Capital

Interest

US\$150 million revolving senior secured credit facility

Capital

Interest

US\$1,290 million term loan and revolving credit facilities

Capital

Interest

US\$100 million senior secured revolving credit facility

Capital

Interest

A\$500 million syndicated revolving credit facility

Capital

Interest

R500 million Standard Bank revolving credit facility

Capital

Interest

R500 million Absa revolving credit facility

Capital

Interest

Short-term Rand credit facilities

Capital

Interest

Other obligations

Finance lease liability

Environmental obligations¹

Trade and other payables

Gold, copper and foreign exchange derivatives

South Deep dividend

Total contractual obligations

	Payments due by period			
	Total	Within one year	Between one and five years	
Capital	852.4		852.4	
Interest	74.0	41.6	32.4	
US\$150 million revolving senior secured credit facility				
Capital	83.5		83.5	
Interest	5.4	3.1	2.3	
US\$1,290 million term loan and revolving credit facilities				
Capital	583.0		583.0	
Interest	48.0	27.0	21.0	
US\$100 million senior secured revolving credit facility				
Capital	45.0		45.0	
Interest	7.2	2.5	4.7	
A\$500 million syndicated revolving credit facility				
Capital	316.5		316.5	
Interest	33.2	13.8	19.4	
R500 million Standard Bank revolving credit facility				
Capital	13.7		13.7	
Interest	1.7	1.3	0.4	
R500 million Absa revolving credit facility				
Capital	34.2		34.2	
Interest	4.1	3.3	0.8	
Short-term Rand credit facilities				
Capital	86.3	86.3		
Interest	7.0	7.0		
Other obligations				
Finance lease liability	111.5	11.6	41.5	58.4
Environmental obligations ¹	399.9	13.0	33.7	353.2
Trade and other payables	393.1	393.1		
Gold, copper and foreign exchange derivatives	22.6	22.6		
South Deep dividend	9.6	1.4	4.1	4.1
Total contractual obligations	3,131.9	627.6	2,088.6	415.7

¹ *Gold Fields makes full provision for all environmental obligations based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. Management believes that the provisions made for environmental obligations are adequate to cover the expected volume of such obligations.*

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United States Dollar

Amounts of commitments expiring by period*Figures in millions unless otherwise stated***Commitments**

	Total	Within one year	Between one and five years	After five years
Guarantees ¹				
Capital expenditure	50.0	50.0		
Operating lease obligations	657.4	76.7	256.5	324.2
Total commitments	707.4	126.7	256.5	324.2

¹ Guarantees consist of numerous obligations. Guarantees consisting of US\$207.6 million committed to guarantee Gold Fields' environmental and other obligations with respect to its South African, Peruvian, Ghanaian and Australian operations are fully provided for under the provision for environmental rehabilitation and certain lease liabilities and are not included in the amount above.

Working capital

Following its going concern assessment performed, which takes into account the 2019 operational plan, net debt position and unutilised loan facilities, management believes that Gold Fields' working capital resources, by way of internal sources and banking facilities, are sufficient to fund Gold Fields' currently foreseeable future business requirements.

Off-balance sheet items

At 31 December 2018, Gold Fields had no material off-balance sheet items except for as disclosed under operating lease obligations, guarantees and capital commitments.

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

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ICT at Gold Fields is a strategic partner to the business. The focus of ICT is to ensure that technology remains relevant and protected in enabling the business in executing the business strategy and operational plans.

For 2018, ICT focused on:

- Implementing the ICT digital strategy to enable the foundational elements of the digital mine of the future;
- Adopting and embedding a suitable cyber security posture, including the achievement of the ISO 27001 Information Security Management Standard certification;
- Maintaining ICT governance and achieving operational targets;
- Maintaining sound financial management, and sustaining cost savings;
- Ensuring key systems and infrastructure availability; and
- Managing the delivery of strategic projects.

Gold Fields' vision to be the global leader in sustainable gold mining requires the adaptability to respond to the rapidly changing technology environment. This is achieved through ensuring the foundational elements of the mine of the future are in place across the various operations. Following the establishment of the Innovation and Technology vision and the Gold Fields digital program, ICT conducted various assessments and engagements across the Group to develop the ICT digital strategy.

Following the recent release of the 17 CFR Parts 229 and 249 from the Securities and Exchange Commission, dealing with Public Company Cyber Security Disclosures, one of the key initiatives in 2018 was the implementation of a suitable cyber security posture. Gold Fields' Group ICT evaluated the Group's existing information management system and determined that the ISO 27001 certification would provide the necessary assurance to Gold Fields.

Group ICT enabled the ISO 27001 certification for the following areas:

- IT infrastructure and operations;
- Information security;
- Business applications;
- Project and vendor management; and
- Governance risk and compliance.

The formal receipt of the ISO 27001 Information Security Management System certification was achieved for the following regions:

- Corporate office;
- South Deep mine;
- Ghana Regional Office;
- Australia Regional Office; and
- Peru Regional Office.

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The certification for each of the remaining mines is planned for 2019.

Further, to strengthen the Group's cyber security posture, the implementation of an intelligent cyber threat detection and monitoring solution across all operations was completed.

Gold Fields ICT operating and delivery model which is based on industry best practice was enhanced to position ICT to effectively deliver on the digital strategy. This operating model enables ICT to focus on business imperatives and business support, while the non-core services are outsourced. The operating model enhancements and delivery against key strategic targets for 2018 mitigated key technology risks and exposed technology opportunities to enable the rapid deployment of digital technologies.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Gold Fields' management is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities Exchange Act of 1934 defines internal control over financial reporting in Rule 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Gold Fields management assessed the effectiveness of its internal control over financial reporting as of 31 December 2018. In making this assessment, Gold Fields management used the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based upon its assessment, Gold Fields management concluded that, as of 31 December 2018, its internal control over financial reporting is effective based upon those criteria.

TREND AND OUTLOOK

Attributable equivalent gold production for the Group for 2019 is expected to be between 2.13 million ounces and 2.18 million ounces. AISC is expected to be between US\$980 per ounce and US\$995 per ounce. AIC is planned to be between US\$1,075 per ounce and US\$1,095 per ounce. These expectations assume exchange rates of R/US\$:13.80 and A\$/US\$:0.75.

Capital expenditure for the Group is planned at US\$633 million. Sustaining capital expenditure for the Group is planned at US\$490 million and growth capital expenditure is planned at US\$143 million. The US\$143 million growth capital expenditure comprises US\$69 million for Damang and A\$99 million (US\$74 million) for Gruyere. Expenditure on Salares Norte is expected to be US\$57 million in 2019. The capital expenditure above excludes the Group's share of Asanko's total expenditure of US\$25 million for 2019.

The above is subject to safety performance which limits the impact of safety-related stoppages and the forward-looking statement.

Paul Schmidt

Chief Financial Officer

25 March 2019

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Gold Fields Limited

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Gold Fields Limited and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated income statements and statements of comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting appearing in Item 15 of the Company's 2018 Annual Report on Form 20-F. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of

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material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM continued

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG Inc.

We have served as the Company's auditor since 2010.

Johannesburg, South Africa

March 29, 2019

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Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of new and revised standards and interpretations.

Gold Fields Limited (the Company or Gold Fields) is a company domiciled in South Africa. The registration number of the Company is 1968/004880/06. The address of the Company is 150 Helen Road, Sandton, Johannesburg. The consolidated financial statements of the Company as at 31 December 2018 and 2017 and for each of the years in the three-year period ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) as well as the Group's share of the assets, liabilities, income and expenses of its joint operations and the Group's interest in associates and its joint ventures. The Group is primarily involved in gold mining.

1. BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the South African Companies Act. This is the first set of the Group's financial statements in which IFRS 15 *Revenue from Contracts with Customers*, IFRS 9 *Financial Instruments* and the early adoption of the amendment to IAS 28 *Investments in Associates and Joint Ventures* have been applied. Changes to significant accounting policies are described in note 41 of the consolidated financial statements.

As required by the United States Securities and Exchange Commission, the financial statements include the consolidated statements of financial position as at 31 December 2018 and 2017, and the consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2018, 2017 and 2016 and the related notes.

The consolidated financial statements were authorised for issue by the Board of Directors on 25 March 2019.

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2018 or early adopted by the Group

During the financial year, the following new and revised accounting standards, amendments to standards and new interpretations were adopted by the Group:

Standard(s)	
Amendment(s)	
Interpretation(s)	Salient features of the changes
<p>IFRS 2 <i>Share-based Payments</i></p>	<p>The amendments cover three accounting areas:</p> <ul style="list-style-type: none"> Measurement of cash-settled share-based payments; Classification of share-based payments settled net of tax withholdings; and Accounting for a modification of a share-based payment from cash-settled to equity-settled. <p>The amendment does not have a material impact on the Group.</p>
<p>IFRS 9 <i>Financial Instruments</i></p>	<p>This IFRS sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments. The Group have adopted IFRS 9 on 1 January 2018.</p>

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Accounting policies (continued)

Standard(s)	Amendment(s)	Interpretation(s)	Salient features of the changes
IFRS 15	<i>Revenue</i>	<i>from Contracts with Customers</i>	<p>This IFRS introduces a new revenue recognition model for contracts with customers and establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 also includes extensive new disclosure requirements; and</p> <p>The Group have adopted IFRS 15 on 1 January 2018.</p>
IAS 28	<i>Investments in</i>	<i>Associates and Joint Ventures (early adopted)</i>	<p>The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate and joint venture that forms part of the net investment in the associate or joint venture but to which the equity method is not applied;</p> <p>The implementation of this amendment has a direct impact on the accounting treatment of the redeemable preference shares that form part of the Group's net investment in Asanko Gold Ghana Limited; and</p> <p>The amendments apply for annual periods beginning on or after 1 January 2019. The Group has early adopted the standard as permitted by IAS 28.</p>

Standards, interpretations and amendments to published standards that are not yet effective

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Certain new standards, amendments and interpretations to existing standards have been published that apply to the Group's accounting periods beginning on 1 January 2019 or later periods, but have not been early adopted by the Group.

The standards, amendments and interpretations that are relevant to the Group are:

Standard(s)	
Amendment(s)	
Interpretation(s)	Salient features of the changes
IFRS 16 <i>Leases</i>	<p>This IFRS sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (lessee) and the supplier (lessor);</p> <p>IFRS 16 replaces the previous leases Standard, IAS 17 <i>Leases</i>, and related Interpretations;</p> <p>IFRS 16 has one model for lessees which will result in almost all leases being included on the statement of financial position. The lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. No significant changes have been included for lessors (the Group is not a lessor);</p> <p>The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements which is described in more detail below; and</p> <p>The actual impact of adopting the standard on 1 January 2019 may change because the new accounting policies are subject to change until the Group presents its first consolidated financial statements that include the date of initial application of IFRS 16.</p>

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Management has compiled a list of all potential leases across the Group and reviewed all related contracts in order to identify and account for all leases in terms of IFRS 16 across the Group;

The Group will recognise right-of-use assets and lease liabilities for its operating leases for the following material contracts:

Australia

Power Purchase Agreements (PPAs);
Rental of gas pipelines;
Ore haulage and site services;
Mining equipment hire; and
Property rentals.

Ghana

Power Purchase Agreements (PPAs); and
Transportation contracts.

South Africa

Equipment hire.

Peru

Property rentals; and
Equipment hire.

Corporate and other

Property rentals; and
Equipment hire.

The nature of expenses related to these leases will now change because the Group will recognise an amortisation and depreciation charge for the right-of-use assets and finance expense in respect of the lease liabilities once the standard is implemented;

Previously, the Group recognised operating lease expenses on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised;

Based on the information currently available, the Group estimates that it will recognise right-of-use assets and additional lease liabilities between US\$190.0 million and US\$230.0 million at 1 January 2019. The Group does not expect the adoption of IFRS 16 to impact its ability to comply with loan covenant requirements;

The Group plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information;

The Group will elect to recognise the right-of-use assets at an amount equal to the lease liability at 1 January 2019; and

The Group plans to apply the following practical expedients for IFRS 16:

Leases for which the underlying asset is of low value; and

Short term leases.

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Accounting policies (continued)

Standard(s)	Amendment(s)	Interpretation(s)	Salient features of the changes
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>			<p>This interpretation clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities;</p> <p>IFRIC 23 specifically clarifies how to incorporate this uncertainty into the measurement of tax as reported in the consolidated financial statements;</p> <p>IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about judgements made, assumptions and other estimates used and the potential impact of uncertainties that are not reflected; and</p> <p>The interpretation will not have a material impact on the Group.</p>
<i>Various</i> IFRS <i>(2015/2017 Cycle)</i>			<p>The annual improvements project is a collection of amendments to various IFRS standards and is the result of conclusions reached by the IASB on proposals made at its annual improvement project; and</p> <p>The interpretation will not have a material impact on the Group.</p>

IFRS 3 *Business Combinations*

These amendments make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs;

Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and

Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments will not have a material impact on the Group.

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework;

The revised definition of material is:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The Board has also removed the definition of material *omissions or misstatements* from *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*; and

The amendments will not have a material impact on the Group.

IAS 1 *Presentation of Financial Statements and*

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

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Standard(s) Amendment(s) Interpretation(s)	Salient features of the changes
IFRS 17 Insurance Contracts	<p>IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model (general model) for the recognition and measurement of liabilities arising from insurance contracts;</p> <p>In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:</p> <ul style="list-style-type: none"> Reinsurance contracts held; Direct participating contracts; and Investment contracts with discretionary participation features. <p>Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or other comprehensive income;</p> <p>The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity s financial statements; and</p> <p>The Group is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future consolidated financial statements.</p>

** Effective date refers to annual period beginning on or after said date.*

Significant accounting judgements and estimates

Use of estimates: The preparation of the consolidated financial statements in accordance with IFRS requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to the following:

- Mineral reserves and resources estimates (this forms the basis of future cash flow estimates used for impairment assessments and units-of-production depreciation and amortisation calculations);
- Carrying value of property, plant and equipment and goodwill;
- Production start date;
- Estimates of recoverable gold and other materials in heap leach and stockpiles, gold in process and product inventories including write-downs of inventory to net realisable value;
- Provision for environmental rehabilitation costs;
- Provision for silicosis settlement costs;
- Income taxes;
- Share-based payments;
- The fair value and accounting treatment of financial instruments;
- Contingencies; and
- Asanko Gold acquisition.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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Accounting policies (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

Mineral reserves and resources estimates

Mineral reserves are estimates of the amount of product, inclusive of diluting materials and allowances for losses, which can be economically and legally extracted from the Group's properties, as determined by life-of-mine schedules or pre-feasibility studies.

Mineral resources are estimates, based on specific geological evidence and knowledge, including sampling, of the amount of product in situ, for which there is a reasonable prospect for eventual legal and economic extraction.

In order to calculate the reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, capital expenditure, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the mineral reserves and resources is based on exploration and sampling information gathered through appropriate techniques (primarily diamond drilling, reverse circulation drilling, air-core and sonic drilling), surface three-dimensional reflection seismics, ore body faces modelling, structural modelling, geological mapping, detailed ore zone wireframes and geostatistical estimation. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Group is required to determine and report on the mineral reserves and resources in accordance with the South African Mineral Resource Committee (SAMREC) code on an annual basis.

Estimates of mineral reserves and resources may change from year to year due to the change in economic, regulatory, infrastructural or social assumptions used to estimate ore reserves and resources, and due to additional geological data becoming available.

Changes in reported proved and probable reserves may affect the Group's financial results and position in a number of ways, including the following:

The recoverable amount used in the impairment calculations may be affected due to changes in estimated cash flows or timing thereof;

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Amortisation and depreciation charges to profit or loss may change as these are calculated on the units-of-production method, or where the useful economic lives of assets change;

Provision for environmental rehabilitation costs may change where changes in ore reserves affect expectations about the timing or cost of these activities; and

The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Changes in reported measured and indicated resources may affect the Group's financial results and position in a number of ways, including the following:

The recoverable amount used in the impairment calculations may be affected due to changes in estimated market value of resources exclusive of reserves; and

Amortisation and depreciation charges for the mineral rights asset at the Australian operations may change as a result of the change in the portion of mineral rights asset being transferred from the non-depreciable component to the depreciable component.

Carrying value of property, plant and equipment and goodwill

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable mineral reserves.

Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of mine life based on proved and probable mineral reserves.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. These factors could include:

Changes in proved and probable mineral reserves;

Differences between actual commodity prices and commodity price assumptions;

Unforeseen operational issues at mine sites;

Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign currency exchange rates; and

Changes in mineral reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

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The Group reviews and tests the carrying value of long-lived assets annually or when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing the recoverable amounts to these carrying values. In addition, goodwill is tested for impairment on an annual basis. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of recoverable amounts of each group of assets. The recoverable amounts of cash-generating units (CGU) and individual assets have been determined based on the higher of value-in-use and fair value less cost of disposal (FVLCOD) calculations. Expected future cash flows used to determine the value in use or FVLCOD of property, plant and equipment and goodwill are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as the gold and copper prices, discount rates, foreign currency exchange rates, resource valuations (determined based on comparable market transactions), estimates of costs to produce reserves and future capital expenditure.

An individual operating mine does not have an indefinite life because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine. In accordance with the provisions of IAS 36 *Impairment of Assets*, the Group performs its annual impairment review of goodwill at each financial year-end.

The Group generally used FVLCOD to determine the recoverable amount of each CGU.

Significant assumptions used in the Group's impairment assessments (FVLCOD calculations) include:

	2018	2017
US\$ gold price per ounce year 1	US\$1,200	US\$1,200
US\$ gold price per ounce year 2 onwards	US\$1,300	US\$1,300
Rand gold price per kilogram year 1	R525,000	R525,000
Rand gold price per kilogram year 2 onwards	R550,000	R525,000
A\$ gold price per ounce year 1	A\$1,600	A\$1,600
A\$ gold price per ounce year 2 onwards	A\$1,700	A\$1,700
US\$ copper price per tonne year 1	US\$5,951	US\$5,512
US\$ copper price per tonne year 2 onwards	US\$6,612	US\$6,171

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Resource value per ounce (used to calculate the value beyond proved and probable reserves)		
South Africa (with infrastructure)	US\$17	US\$17
Ghana (with infrastructure)	US\$44	US\$41
Peru (with infrastructure)	US\$70	US\$41
Australia (2018: with infrastructure, 2017: without infrastructure)	US\$28	US\$293
Discount rates		
South Africa nominal	13.5%	13.5%
Ghana real	9.5%	9.7%
Peru real	4.9%	4.8%
Australia real	3.4%	3.8%
Inflation rate South Africa	5.5%	5.5%
Life-of-mine		
South Deep	75 years	78 years
Tarkwa	14 years	14 years
Damang	7 years	8 years
Cerro Corona	12 years	13 years
St Ives	7 years	5 years
Agnew/Lawlers	4 years	4 years
Granny Smith	12 years	11 years
Gruyere	12 years	13 years
Long-term exchange rates		
US\$/ZAR year 1	13.61	13.61
US\$/ZAR year 2 onwards	13.16	13.16
A\$/US\$ year 1	0.75	0.75
A\$/US\$ year 2 onwards	0.76	0.76

¹ Due to the availability of unredeemed capital for tax purposes over several years into the life of the South Deep mine, nominal cash flows are used for South Africa. In order to determine nominal cash flows in South Africa, costs are inflated by the current South African inflation rate. Cash flows for all other operations are in real terms and as a result are not inflated.

² The US\$293 per ounce is reflective of higher resource prices in the 2017 population used.

The FVLCOD calculations are very sensitive to the gold price assumptions and an increase or decrease in the gold price could materially change the FVLCOD.

Should there be a significant decrease in the gold or copper price, the Group would take actions to assess the implications on the life-of-mine plans, including the determination of reserves and resources and the appropriate cost structure for the CGUs.

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Accounting policies (continued)

The carrying amount of property, plant and equipment at 31 December 2018 was US\$4,259.2 million (2017: US\$4,892.9 million). The carrying value of goodwill at 31 December 2018 was US\$nil (2017: US\$76.6 million).

An impairment of US\$481.5 million (2017: US\$277.8 million and 2016: US\$nil) was recognised in respect of the South Deep CGU for the year ended 31 December 2018. US\$71.7 million (2017: US\$277.8 million and 2016: US\$nil) of the total impairment was firstly allocated against goodwill and the remainder of US\$409.8 million (2017: US\$nil and 2016: US\$nil) against other assets.

Production start date

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage. Some of the criteria would include, but are not limited to the following:

- The level of capital expenditure compared to the construction cost estimates;
- Ability to produce metal in saleable form (within specifications); and
- Ability to sustain commercial levels of production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development, deferred stripping activities or ore reserve development.

Stockpiles, gold in process and product inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold in process, ore on leach pads and product inventories. Net realisable value tests are performed on a monthly basis for short-term stockpiles, gold in process and product inventories and at least annually for long-term stockpiles and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale. If any inventories are expected to be realised in the long term, estimated future sales prices are used for valuation purposes.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metals actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor the recoverability levels. As a result, the metallurgical balancing process is constantly monitored and engineering estimates are refined based on actual results over time.

Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write downs to net realisable value are accounted for on a prospective basis.

The carrying amount of total gold-in-process and stockpiles (non-current and current) at 31 December 2018 was US\$325.0 million (2017: US\$305.4 million).

Provision for environmental rehabilitation costs

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for the provision of environmental rehabilitation costs in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates could affect the carrying amount of this provision.

Refer note 25.1 of the consolidated financial statements for details of key assumptions used to estimate the provision.

The carrying amounts of the provision for environmental rehabilitation costs at 31 December 2018 was US\$289.6 million (2017: US\$281.5 million).

Provision for silicosis settlement costs

The Group has an obligation in respect of a possible settlement of the silicosis class action claims and related costs. The Group recognises management's best estimate for the provision of silicosis settlement costs.

The ultimate outcome of the class action remains uncertain, with a possible failure to reach a settlement or to obtain the requisite court approval for a potential settlement. The provision is consequently subject to adjustment in the future, depending on the progress of the Working Group discussions, stakeholder engagements and the ongoing legal proceedings. Refer notes 25.2 and 35 of the consolidated financial statements for further details.

The carrying amount of the provision for silicosis settlement costs at 31 December 2018 was US\$25.1 million (2017: US\$31.9 million).

Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **135****Income taxes**

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact income tax and deferred tax in the period in which such determination is made.

The Group recognises the future tax benefits related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Carrying values at 31 December 2018:

Deferred taxation liability: US\$454.9 million (2017: US\$453.9 million)

Deferred taxation asset: US\$269.5 million (2017: US\$72.0 million)

Taxation payable: US\$5.2 million (2017: US\$77.5 million)

Refer note 9 for details of unrecognised deferred tax assets.

Share-based payments

The Group issues equity-settled share-based payments to executive directors, certain officers and employees. The fair value of these instruments is measured at grant date, using the Black-Scholes and Monte Carlo simulation valuation models, which require assumptions regarding the estimated term of the option, share price volatility and expected dividend yield. While Gold Fields management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the option granted and the related recognition of the

share-based payments expense in the consolidated income statement. Gold Fields' options have characteristics significantly different from those of traded options and therefore fair values may also differ.

The income statement charge from continuing operations for the year ended 31 December 2018 was US\$37.5 million (2017: US\$26.8 million and 2016: US\$14.0 million).

Financial instruments

Derivative financial instruments

The estimated fair value of financial instruments is determined at discrete points in time, based on the relevant market information. The fair value is calculated with reference to market rates using industry valuation techniques and appropriate models. The carrying values of derivative financial instruments included in trade and other receivables at 31 December 2018 was US\$8.3 million (2017: US\$25.0 million) and included in trade and other payables US\$22.6 million (2017: US\$3.3 million).

Asanko redeemable preference shares

Significant judgement is required in estimating life-of-mine cash flows used in determining the expected timing of the cash flows for the repayment of the redeemable preference shares.

In order to estimate the life-of-mine model used in the valuation, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, capital expenditure, transport costs, commodity demand, commodity prices and exchange rates. Refer note 17 for key assumptions used.

The life-of-mine cash flows are very sensitive to the gold price assumptions and an increase or decrease in the gold price could materially change the valuations.

The fair value of the Asanko redeemable preference shares at 31 December 2018 was US\$132.9 million (2017: US\$nil).

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. Such contingencies include, but are not limited to environmental obligations, litigation, regulatory proceedings, tax matters and losses resulting from other events and developments.

When a loss is considered probable and reasonably estimable, a liability is recorded based on the best estimate of the ultimate loss. The likelihood of a loss with respect to a contingency can be difficult to predict and determining a meaningful estimate of the loss or a range of losses may not always be practicable based on the information available at the time and the potential effect of future events and decisions by third parties that will determine the ultimate resolution of the contingency. It is not uncommon for such matters to be resolved over many years, during which time

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Accounting policies (continued)

relevant developments and new information is continuously evaluated to determine both the likelihood of any potential loss and whether it is possible to reasonably estimate a range of possible losses. When a loss is probable but a reasonable estimate cannot be made, disclosure is provided.

Refer note 35 for details on contingent liabilities.

Asanko Gold acquisition

Recognition and measurement

Gold Fields and Asanko have joint control as each party has equal representation on the management committee that governs the relevant activities of the arrangement. The Asanko transaction is structured as a separate vehicle and the Group has a residual interest in the net assets of Asanko. Accordingly, the Group has classified its interest in Asanko as a joint venture.

Equity accounted investee and redeemable preference shares valuation

Significant judgement is required in estimating life-of-mine cash flows used in determining the net fair value of the investee's identifiable assets and liabilities on acquisition and the expected timing of the cash flows for the repayment of the redeemable preference shares. The life-of-mine cash flows were based on the life-of-mine model of the Asanko Gold Mine as at acquisition date.

In order to estimate the life-of-mine model used in the valuation, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, capital expenditure, transport costs, commodity demand, commodity prices and exchange rates. Refer note 15 for key assumptions used.

The life-of-mine cash flows are very sensitive to the gold price, the discount rate and the change in life-of-mine assumptions and an increase or decrease in the gold price, discount rate and life-of-mine could materially change the valuations.

Fair value measured on a provisional basis

The fair value of identifiable net assets acquired has been performed on a provisional basis, pending completion of review and sign off of the life-of-mine model, including the Reserves and Resources, by the Group Competent Person. Any changes to the acquisition life-of-mine model and/or Reserves and Resources could result in a material change to the cash flows used to determine the fair value of the identifiable net assets acquired.

If new information is obtained, within one year from the date of acquisition, about facts and circumstances that existed at the date of acquisition about the life-of-mine and adjustments are required to be made to the provisional fair values of the identifiable net assets, or if any additional provisions that existed at the date of acquisition are identified, then the accounting for the acquisition will be revised.

2. CONSOLIDATION

2.1 Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred, other than those associated with the issue of debt or equity securities. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's share of the subsequent changes in equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

If a transaction does not meet the definition of a business under IFRS, the transaction is recorded as an asset acquisition. Accordingly, the identifiable assets acquired and liabilities assumed are measured at the fair value of the consideration paid, based on their relative fair values at the acquisition date. Acquisition-related costs are included in the consideration paid and capitalised. Any contingent consideration payable that is dependent on the purchaser's future activity is not included in the consideration paid until the activity requiring the payment is performed. Any resulting future amounts payable are recognised in profit or loss when incurred. No goodwill and no deferred tax asset or liability arising from the assets acquired and liabilities assumed are recognised upon the acquisition of assets.

2.2 Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date on which control ceases.

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Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4 Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and the other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

Results of associates and joint ventures are equity accounted using the results of their most recent audited financial statements. Any losses from associates or joint ventures are brought to account in the consolidated financial statements until the interest in such associates or joint ventures is written down to zero. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates or joint ventures.

The carrying value of an investment in associate and joint ventures represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses, any other movements in reserves and any

accumulated impairment losses. The Group applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. This has a direct impact on the Group's accounting treatment for the Asanko Gold Ghana Limited (Asanko) acquisition where the redeemable preference shares that form part of the consideration for the Group's investment into Asanko have been measured in accordance with the requirements of IFRS 9 (refer to note 15). This specific amendment to IAS 28 applies for annual periods beginning on or after 1 January 2019; however, the Group has early adopted the standard as permitted by IAS 28. The carrying value is assessed annually for existence of indicators of impairment and if such exist, the carrying amount is compared to the recoverable amount, being the higher of value in use or fair value less cost of disposal. If an impairment in value has occurred, it is recognised in profit or loss in the period in which the impairment arose.

2.5 Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the use of assets and obligations for the liabilities of the arrangement. The Group accounts for activities under joint operations by recognising in relation to the joint operation, the assets it controls and the liabilities it incurs, the expenses it incurs and the revenue from the sale or use of its share of the joint operations output.

3. FOREIGN CURRENCIES

3.1 Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US Dollar, which is the Group's presentation currency. The functional currency of the parent company is South African Rand.

3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

3.3 Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the exchange rate ruling at the reporting date (ZAR/US\$: 14.63; US\$/A\$: 0.70 (2017: ZAR/US\$: 12.58; US\$/A\$: 0.77)). Equity items are translated at historical rates. The income and expenses are translated at the average exchange rate for the year (ZAR/US\$: 13.20; US\$/A\$: 0.75 (2017: ZAR/US\$: 13.33; US\$/A\$: 0.77 and 2016: ZAR/US\$: 14.70; US\$/A\$: 0.75)), unless this average was not a reasonable approximation of the rates prevailing on the transaction dates, in which case these items were translated at the rate prevailing on the date of the transaction. Exchange differences on translation are accounted for in other comprehensive income (OCI). These differences will be recognised in profit or loss upon realisation of the underlying operation.

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Accounting policies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (i.e. the reporting entity's interest in the net assets of that operation), and of borrowings and other currency instruments designated as hedges of such investments, are taken to OCI. When a foreign operation is sold, exchange differences that were recorded in OCI are recognised in profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at each reporting date at the closing rate.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Expenditure incurred to evaluate and develop new orebodies, to define mineralisation in existing orebodies and to establish or expand productive capacity, is capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Development of orebodies includes the development of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met.

4.2 Borrowing costs

Borrowing costs incurred in respect of assets requiring a substantial period of time to prepare for their intended future use are capitalised to the date that the assets are substantially completed.

4.3 Mineral and surface rights

Mineral and surface rights are recorded at cost less accumulated amortisation and accumulated impairment losses. When there is little likelihood of a mineral right being exploited, or the fair value of mineral rights has diminished below cost, an impairment loss is recognised in profit or loss in the year that such determination is made.

4.4 Land

Land is shown at cost and is not depreciated.

4.5 Other assets

Non-mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets include the assets of the mining operations not included in mine development and infrastructure, borrowing costs, mineral and surface rights and land and all the assets of the non-mining operations.

4.6 Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge to profit or loss taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

Mining assets, including mine development and infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable ore reserves;

Stripping activity assets are amortised on a units-of-production method, based on the estimated proved and probable ore reserves of the ore body to which the assets relate; and

The mineral rights asset at the Australian operations are divided at the respective operations into a depreciable and a non-depreciable component. The mineral rights asset is initially capitalised to the mineral rights asset as a non-depreciable component.

Subsequently, and on an annual basis, as part of the preparation of the updated reserve and resource statement and preparation of the updated life-of-mine plan, a portion of resources will typically be converted to reserves as a result of ongoing resource definition drilling, resultant geological model updates and subsequent mine planning. Based on this conversion of resources to reserves a portion of the historic cost is allocated from the non-depreciable component of the mineral rights asset to the depreciable component of the mineral rights asset. Therefore, the category of non-depreciable mineral rights asset is expected to reduce and will eventually be fully allocated within the depreciable component of the mineral rights asset.

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Each operation typically comprises a number of mines and the depreciable component of the mineral rights asset is therefore allocated on a mine-by-mine basis at the operation and is transferred at this point to mine development and infrastructure and is then amortised over the estimated proved and probable ore reserves of the respective mine on the units-of-production method. The remaining non-depreciable component of the mineral rights asset is not amortised but, in combination with the depreciable component of the mineral rights asset and other assets included in the CGU, is evaluated for impairment when events and changes in circumstances indicate that the carrying amount may not be recoverable.

Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.

Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over the lesser of their estimated useful lives or life-of-mine.

4.7 Depreciation of non-mining assets

Non-mining assets are recorded at cost and depreciated on a straight-line basis over their current expected useful lives to their residual values as follows:

Vehicles	20%
Computers	33.3%
Furniture and equipment	10%

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

4.8 Mining exploration

Expenditure on advances solely for exploration activities is charged against profit or loss until the viability of the mining venture has been proven. Expenditure incurred on exploration 'farm-in' projects is written off until an ownership interest has vested. Exploration expenditure to define mineralisation at existing ore bodies is considered mine development costs and is capitalised until commercial levels of production are achieved.

Exploration activities at certain of the Group's non-South African operations are broken down into defined areas within the mining lease boundaries. These areas are generally defined by structural and geological continuity. Exploration costs in these areas are capitalised to the extent that specific exploration programmes have yielded targets and/or results that warrant further exploration in future years.

4.9 Impairment

Recoverability of the carrying values of long-term assets or CGUs of the Group are reviewed annually or whenever events or changes in circumstances indicate that such carrying values may not be recoverable. To determine whether a long-term asset or CGU may be impaired, the higher of value in use (defined as the present value of future cash flows expected to be derived from an asset or CGU) or fair value less costs of disposal (defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) is compared to the carrying value of the asset/CGU. Impairment losses are recognised in profit or loss.

A CGU is defined by the Group as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally for the Group this represents an individual operating mine, including mines which are part of a larger mine complex. The costs attributable to individual shafts of a mine are impaired if the shaft is closed.

Exploration targets in respect of which costs have been capitalised at certain of the Group's international operations are evaluated on an annual basis to ensure that these targets continue to support capitalisation of the underlying costs. Those that do not are impaired.

When any infrastructure is closed down during the year, any carrying value attributable to that infrastructure is impaired.

4.10 Gain or loss on disposal of property, plant and equipment

Any gain or loss on disposal of property, plant and equipment (calculated as the net proceeds from disposal less the carrying amount of the item) is recognised in profit or loss.

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Accounting policies (continued)

4.11 Leases

At the inception of an arrangement, the Group determines whether the arrangement contains a lease. Leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. Leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

All other leases are classified as operating leases and are not recognised in the statement of financial position. Operating lease costs are charged against profit or loss on a straight-line basis over the period of the lease.

4.12 Deferred stripping

Production stripping costs in a surface mine are capitalised to property, plant and equipment if, and only if, all of the following criteria are met:

- It is probable that the future economic benefit associated with the stripping activity will flow to the entity;
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

The Group initially measures the stripping activity asset at cost, this being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore.

After initial recognition, the stripping activity asset is carried at cost less accumulated amortisation and accumulated impairment losses.

5. GOODWILL

Goodwill is stated at cost less accumulated impairment losses. Goodwill on acquisition of equity accounted investees is tested for impairment as part of the carrying amount of the investment in associate or joint venture whenever there is any objective evidence that the investment may be impaired. Goodwill on acquisition of a subsidiary is assessed annually or whenever there are impairment indicators to establish whether there is any indication of impairment to

goodwill. A write-down is made if the carrying amount exceeds the recoverable amount. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill allocated to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

6. TAXATION

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI other comprehensive income.

Current tax is calculated on taxable income at the applicable statutory rate substantively enacted at the reporting date.

Interest and penalties are accounted for in current tax.

Deferred taxation is provided on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts. Substantively enacted tax rates are used to determine future anticipated tax rates which in turn are used in the determination of deferred taxation.

Deferred taxation is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and equity accounted investees except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

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Deferred tax assets relating to the carry forward of unutilised tax losses and/or deductible temporary differences are recognised to the extent it is probable that future taxable profit will be available against which the unutilised tax losses and/or deductible temporary differences can be recovered. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Except for Tarkwa and Cerro Corona, no provision is made for any potential taxation liability on the distribution of retained earnings by Group companies as it is probable that the related taxable temporary differences will not reverse in the foreseeable future.

7. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Gold on hand represents production on hand after the smelting process.

Cost is determined on the following basis:

Gold on hand and gold-in-process is valued using weighted average cost. Cost includes production, amortisation and related administration costs;

Heap leach and stockpile inventories are valued using weighted average cost. Cost includes production, amortisation and related administration costs. The cost of materials on the heap leach and stockpiles from which metals are expected to be recovered in a period longer than 12 months is classified as non-current assets; and

Consumable stores are valued at weighted average cost, after appropriate provision for redundant and slow-moving items.

Net realisable value is determined with reference to relevant market prices or the estimated future sales price of the product if it is expected to be realised in the long term.

8. FINANCIAL INSTRUMENTS

8.1 Non-derivative financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets Classification policy from 1 January 2018

On initial recognition, a financial asset is classified as measured at:

Amortised cost;

Fair value through other comprehensive income (FVOCI); or

FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

It is held with a business model whose objective is to collect contractual cash flows; and

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

It is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

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Accounting policies (continued)

Financial assets Subsequent measurement policy from 1 January 2018

Financial asset category	Description
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets Classification of financial assets: Policy applicable from 1 January 2018

The following information is considered by the Group in determining the classification of financial assets:

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The Group's business model for managing financial assets; and

The contractual cash flow characteristics of the financial assets.

The business model assessment of the financial assets is based on the Group's strategy and rationale for holding the financial assets on a portfolio level. When considering the strategy, the following is considered:

Whether the financial assets are held to collect contractual cash flows;

Whether the financial assets are held for sale; or

Whether the financial assets are held for both collecting contractual cash flows and to be sold.

Financial assets – Assessment of contractual cash flows: Policy applicable from 1 January 2018

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets – Classification policy before 1 January 2018

The Group classified its financial assets into one of the following categories:

Loans and receivables;

Available for sale; and

At FVTPL, and within this category as:

held for trading;

derivative hedging instruments; or

designated as at FVTPL.

Financial assets – Subsequent measurement policy before 1 January 2018

Financial asset category	Description
Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
Loans and receivables	Measured at amortised cost using the effective interest method.

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Available-for-sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the other reserves. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.
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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **143****Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL. If it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment**Policy applicable from 1 January 2018**

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Policy applicable before 1 January 2018

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

8.1.1 Investments

Investments comprise listed and unlisted investments which are designated at FVOCI and are accounted for at fair value, with unrealised gains and losses subsequent to initial recognition recognised in OCI and included in other reserves. Profit or loss realised when investments are sold or impaired are never reclassified to profit or loss.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. The fair value of listed investments is based on quoted bid prices.

On disposal or impairment of financial assets classified at FVOCI, cumulative unrealised gains and losses previously recognised in OCI are included in determining the profit or loss on disposal, or the impairment charge relating to, that financial asset, respectively, which is recognised in OCI.

8.1.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

Bank overdrafts are included within current liabilities in the statement of financial position and within cash and cash equivalents in the statement of cash flows.

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Accounting policies (continued)

8.1.3 Trade receivables

Trade receivables are carried at amortised cost less ECLs using the Group's business model for managing its financial assets, except for trade receivables from provisional copper and gold concentrate. The trade receivables from provisional copper and gold concentrate sales are carried at fair value through profit or loss and are marked-to-market at the end of each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

8.1.4 Environmental trust funds

The environmental trust funds consist of term deposits and equity-linked deposits in South Africa, as well as secured cash deposits in Ghana. The term deposits and secured cash deposits are recognised at amortised cost less ECLs using the Group's business model for managing its financial assets. The equity-linked deposits are initially recognised at fair value and subsequently remeasured to their fair value with changes therein recognised in profit or loss.

8.1.5 Trade payables

Trade payables are recognised at amortised cost using the effective interest method.

8.1.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest payable on borrowings is recognised in profit or loss over the term of the borrowings using the effective interest method. Finance expense comprises interest on borrowings and environmental rehabilitation costs offset by interest capitalised on qualifying assets.

Cash flows from interest paid are classified under operating activities in the statement of cash flows.

8.2 Derivative financial instruments

The Group may from time to time establish currency and/or interest rate and/or commodity financial instruments to protect underlying cash flows.

Derivative financial instruments are initially recognised at fair value and subsequently remeasured to their fair value with changes therein recognised in profit or loss.

9. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

10. PROVISION FOR ENVIRONMENTAL REHABILITATION COSTS

Long-term provisions for environmental rehabilitation costs are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements.

Rehabilitation work can include facility decommissioning and dismantling, removal or treatment of waste materials, site and land rehabilitation, including compliance with and monitoring of environmental regulations, security and other site-related costs required to perform the rehabilitation work and operations of equipment designed to reduce or eliminate environmental effects.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The unwinding of the obligation is accounted for in profit or loss.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure.

Changes in estimates are capitalised or reversed against the relevant asset, except where a reduction in the provision is greater than the remaining net book value of the related asset, in which case the value is reduced to nil and the remaining adjustment is recognised in profit or loss. In the case of closed sites, changes in estimates and assumptions are recognised in profit or loss. Estimates are discounted at the pre-tax risk-free rate in the jurisdiction of the obligation.

Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the mines. These increases are accounted for on a net present value basis.

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For the South African and Ghanaian operations, annual contributions are made to a dedicated rehabilitation trust fund and dedicated bank account, respectively, to fund the estimated cost of rehabilitation during and at the end of the life-of-mine. The amounts contributed to this trust fund/bank account are included under non-current assets. Interest earned on monies paid to rehabilitation trust fund/bank account is accrued on a time proportion basis and is recorded as interest income.

In respect of the South African, Ghanaian and Peruvian operations, bank and other guarantees are provided for funding of the environmental rehabilitation obligations. Refer to financial instruments accounting policy Environmental trust fund.

11. EMPLOYEE BENEFITS

11.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

11.2 Pension and provident funds

The Group operates a defined contribution retirement plan and contributes to a number of industry-based defined contribution retirement plans. The retirement plans are funded by payments from employees and Group companies.

Contributions to defined contribution funds are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

11.3 Share-based payments

The Group operates a number of equity-settled compensation plans. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted, which in turn is determined using the Black-Scholes and Monte Carlo simulation models on the date of grant.

Fair value is based on market prices of the equity-settled instruments granted, if available, taking into account the terms and conditions upon which those equity-settled instruments were granted. Fair value of equity-settled instruments granted is estimated using appropriate valuation models and appropriate assumptions at grant date. Non-market vesting conditions (service period prior to vesting) are not taken into account when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

The fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in equity. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Where the terms of an equity-settled award are modified, the originally determined expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participant as measured at the date of the modification.

11.4 Long-term incentive plan

The Group operates a long-term incentive plan.

The Group's net obligation in respect of the long-term incentive plan is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is estimated using appropriate assumptions and is discounted to determine its present value at each reporting date. Remeasurements are recognised in profit or loss in the period in which they arise.

11.5 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of the date the Group can no longer withdraw the offer of those benefits or the date the Group recognises costs for a restructuring. Benefits falling due more than 12 months after the reporting date are discounted to present value.

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Accounting policies (continued)

12. STATED CAPITAL

12.1 Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

12.2 Repurchase and reissue of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are deducted from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group applied IFRS 15 from 1 January 2018. The effect of initially applying IFRS 15 is described in note 41 and in the basis of preparation above.

Revenue recognition under IFRS 15 (applicable from 1 January 2018)

The Group recognises revenue when control over its gold, copper and silver is transferred to the customer. The price is determined by market forces. Revenue is measured based on the consideration specified in a contract with the customer.

Revenue recognition under IAS 18 (applicable before 1 January 2018)

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue arising from gold, copper and silver sales is recognised when the significant risks and rewards of ownership pass to the buyer.

Nature and timing of satisfaction of performance obligations

Customers obtain control of gold, copper and silver on the settlement date and therefore there are no payment terms except for copper and gold concentrate sales in Peru. Copper and gold concentrate revenue is calculated, net of refining and treatment charges, on a best estimate basis on shipment date, using forward metal prices to the estimated final pricing date, adjusted for the specific terms of the agreements. Variations between the price recorded at the shipment date and the actual final price received are caused by changes in prevailing copper and gold prices. Changes in the fair value as a result of changes in forward metal prices are classified as provisional price adjustments and included as a component of revenue.

14. INVESTMENT INCOME

Investment income comprises interest income on funds invested and dividend income from listed and unlisted investments.

Investment income is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of investment income can be reliably measured. Investment income is stated at the fair value of the consideration received or receivable.

14.1 Dividend income

Dividends are recognised in profit or loss when the right to receive payment is established.

14.2 Interest income

Interest income is recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

Cash flows from dividends and interest received are classified under operating activities in the statement of cash flows.

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15. DIVIDENDS DECLARED

Dividends and the related taxation thereon are recognised only when such dividends are declared.

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends paid. The Group withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends paid. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid recognised directly in equity.

Cash flows from dividends paid are classified under operating activities in the statement of cash flows.

16. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share. Basic earnings per share is calculated based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders, if applicable, and the weighted average number of ordinary shares in issue for ordinary shares that may be issued in the future.

17. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups) comprising assets and liabilities, are classified as held for sale if it is highly probable they will be recovered primarily through sale rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. Once classified as held for sale or distribution, property, plant and equipment is no longer amortised or depreciated.

18. DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

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Represents a separate major line of business or geographic area of operations;

Is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative income statement and statement of cash flows are re-presented as if the operation had been discontinued from the start of the comparative period.

19. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker and is based on individual mining operations. The Chief Operating Decision-Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

20. HEADLINE EARNINGS

Headline earnings is an additional earnings number that is permitted by IAS 33 Earnings per Share (IAS 33) as set out in SAICA Circular 4/2018 (Circular). The starting point is earnings as determined in IAS 33, excluding separately identifiable remeasurements net of related tax (both current and deferred) and related non-controlling interest, other than remeasurements specifically included in headline earnings. A remeasurement is an amount recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability. Included remeasurement items are included in section C of the circular.

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Consolidated income statement

for the year ended 31 December

		United States Dollar		
<i>Figures in millions unless otherwise stated</i>	Notes	2018	2017	2016
CONTINUING OPERATIONS				
Revenue	1	2,577.8	2,761.8	2,666.4
Cost of sales	2	(2,043.0)	(2,105.1)	(2,001.2)
Investment income	3	7.8	5.6	8.3
Finance expense	4	(88.0)	(81.3)	(78.1)
Gain on financial instruments		21.0	34.4	14.4
Foreign exchange gain/(loss)		6.4	(3.5)	(6.4)
Other costs, net		(44.8)	(19.0)	(16.8)
Share-based payments	5	(37.5)	(26.8)	(14.0)
Long-term incentive plan	26	(1.1)	(5.0)	(10.5)
Exploration expense		(104.2)	(109.8)	(86.1)
Share of results of equity accounted investees, net of taxation	16.1	(13.1)	(1.3)	(2.3)
Restructuring costs		(113.9)	(9.2)	(11.7)
Silicosis settlement costs	25.2	4.5	(30.2)	
Gain on acquisition of Asanko	15	51.8		
Impairment, net of reversal of impairment of investments and assets	6	(520.3)	(200.2)	(76.5)
Profit on disposal of investments				2.3
(Loss)/profit on disposal of assets		(51.6)	4.0	48.0
(Loss)/profit before royalties and taxation	7	(348.2)	214.4	435.8
Royalties	8	(62.5)	(62.0)	(78.4)
(Loss)/profit before taxation		(410.7)	152.4	357.4
Mining and income taxation	9	65.9	(173.2)	(189.5)
(Loss)/profit from continuing operations		(344.8)	(20.8)	167.9
DISCONTINUED OPERATIONS				
Profit from discontinued operations, net of taxation	12.1		13.1	1.2

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(Loss)/profit for the year		(344.8)	(7.7)	169.1
(Loss)/profit attributable to:				
Owners of the parent		(348.2)	(18.7)	158.2
Continuing operations		(348.2)	(31.8)	157.0
Discontinued operations			13.1	1.2
Non-controlling interests		3.4	11.0	10.9
Continuing operations		3.4	11.0	10.9
		(344.8)	(7.7)	169.1
(Loss)/earnings per share attributable to owners of the parent:				
Basic (loss)/earnings per share from continuing operations cents	10.1	(42)	(4)	19
Basic earnings per share from discontinued operations cents	10.2		2	
Diluted basic (loss)/earnings per share from continuing operations cents	10.3	(42)	(4)	19
Diluted basic earnings per share from discontinued operations cents	10.4		2	

The accompanying notes form an integral part of these consolidated financial statements.

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Consolidated statement of comprehensive income

for the year ended 31 December

United States Dollar

Figures in millions unless otherwise stated

	2018	2017	2016
(Loss)/profit for the year	(344.8)	(7.7)	169.1
Other comprehensive income, net of tax	(330.0)	279.2	121.4
<i>Items that will not be reclassified to profit or loss</i>	(4.2)		
Equity investments at FVOCI – net change in fair value	(8.2)		
Deferred taxation on above item	4.0		
<i>Items that may be reclassified subsequently to profit or loss</i>	(325.8)	279.2	121.4
Available-for-sale financial assets – net change in fair value	(0.7)	(0.7)	(8.3)
Foreign currency translation adjustments	(325.8)	279.9	129.7
Total comprehensive income for the year	(674.8)	271.5	290.5
Attributable to:			
Owners of the parent	(678.2)	260.5	279.6
Non-controlling interests	3.4	11.0	10.9
	(674.8)	271.5	290.5

The accompanying notes form an integral part of these consolidated financial statements.

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Consolidated statement of financial position

at 31 December

United States Dollar

Figures in millions unless otherwise stated

	Notes	2018	2017
ASSETS			
Non-current assets		5,183.2	5,505.7
Property, plant and equipment	13	4,259.2	4,892.9
Goodwill	14		76.6
Inventories	19	133.3	132.8
Equity accounted investees	16.1	225.1	171.3
Investments	17	235.3	104.6
Environmental trust funds	18	60.8	55.5
Deferred taxation	23	269.5	72.0
Current assets		921.1	1,114.4
Inventories	19	368.2	393.5
Trade and other receivables	20	153.2	201.9
Cash and cash equivalents	21	399.7	479.0
Assets held for sale	12.2		40.0
Total assets		6,104.3	6,620.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		2,586.1	3,275.8
Stated capital	22	3,622.5	3,622.5
Other reserves		(2,110.3)	(1,817.8)
Retained earnings		1,073.9	1,471.1
Non-controlling interests		120.8	127.2
Total equity		2,706.9	3,403.0
Non-current liabilities		2,781.9	2,363.1
Deferred taxation	23	454.9	453.9
Borrowings	24	1,925.3	1,587.9
Provisions	25	319.5	321.3

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Finance lease liabilities	33	80.1	
Long-term incentive plan	26	2.1	
Current liabilities		615.5	854.0
Trade and other payables	27	503.0	548.5
Royalties payable	30	12.5	16.3
Taxation payable	31	5.2	77.5
Current portion of borrowings	24	86.3	193.6
Current portion of finance lease liabilities	33	8.5	
Current portion of long-term incentive plan	26		18.1
Total liabilities		3,397.4	3,217.1
Total equity and liabilities		6,104.3	6,620.1

The accompanying notes form an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity

for the year ended 31 December

United States Dollar

<i>Figures in millions unless otherwise stated</i>	Stated capital	Accumulated other comprehensive income ¹	Other reserves ²	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 31 December 2015	3,471.0	(2,401.4)	141.2	1,433.6	2,644.4	111.9	2,756.3
Profit for the year				158.2	158.2	10.9	169.1
Other comprehensive income		121.4			121.4		121.4
Total comprehensive income		121.4		158.2	279.6	10.9	290.5
Transactions with owners of the Company							
Dividends declared				(39.2)	(39.2)	(0.2)	(39.4)
Share-based payments from continuing operations			14.0		14.0		14.0
Share-based payments from discontinued operations			0.4		0.4		0.4
Shares issued ³	151.5				151.5		151.5
Balance at 31 December 2016	3,622.5	(2,280.0)	155.6	1,552.6	3,050.7	122.6	3,173.3
Loss/profit for the year				(18.7)	(18.7)	11.0	(7.7)
Other comprehensive income		279.2			279.2		279.2
Total comprehensive income		279.2		(18.7)	260.5	11.0	271.8
Transactions with owners of the Company							
Dividends declared				(62.8)	(62.8)	(0.6)	(63.4)
Dividends advanced						(5.8)	(5.8)
Share-based payments from continuing operations			26.8		26.8		26.8
			0.6		0.6		0.6

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Share-based payments from discontinued operations							
Balance at 31 December 2017	3,622.5	(2,000.8)	183.0	1,471.1	3,275.8	127.2	3,403.0
Adjustment on initial application of IFRS (net of tax)				(3.5)	(3.5)		(3.5)
Adjusted balance at 1 January 2018⁴	3,622.5	(2,000.8)	183.0	1,467.6	3,272.3	127.2	3,399.5
Losses/profit for the year				(348.2)	(348.2)	3.4	(344.8)
Other comprehensive income		(330.0)			(330.0)		(330.0)
Total comprehensive income		(330.0)		(348.2)	(678.2)	3.4	(674.8)
Transactions with owners of the Company							
Dividends declared				(45.5)	(45.5)	(9.8)	(55.3)
Share-based payments from continuing operations							
Balance at 31 December 2018	3,622.5	(2,330.8)	220.5	1,073.9	2,586.1	120.8	2,706.9

The accompanying notes form an integral part of these consolidated financial statements.

¹ Accumulated other comprehensive income mainly comprises foreign currency translation.

² Other reserves include share-based payments and share of equity accounted investee's other comprehensive income. The aggregate of accumulated other comprehensive income and other reserves in the consolidated statement of changes in equity is disclosed in the consolidated statement of financial position as other reserves.

³ During 2016, Gold Fields completed a US\$151.5 million (R2.3 billion) accelerated equity raising by way of a private placement to institutional investors. A total number of 38,857,913 new Gold Fields shares were placed at a price of R59.50 per share which represented a 6% discount to the 30-day volume weighted average traded price, for the period 17 March 2016 and a 0.7% discount to the 50-day moving average.

The net proceeds from the placement were used to refinance the US\$1,510 million term loan and revolving credit facilities. The new facilities amount to US\$1,290 million. Refer note 24 for further details.

⁴ No adjustment required to equity on initial application of IFRS 9. Refer note 41 for further details.

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Consolidated statement of cash flows

for the year ended 31 December

United States Dollar

<i>Figures in millions unless otherwise stated</i>	Notes	2018	2017	2016
Cash flows from operating activities		557.8	762.4	917.5
Cash generated by operations	28	998.0	1,286.5	1,245.4
Interest received		6.8	5.1	7.3
Change in working capital	29	(16.3)	(69.4)	(2.3)
Cash generated by operating activities		988.5	1,222.2	1,250.4
Interest paid		(91.0)	(90.4)	(81.7)
Royalties paid	30	(65.5)	(66.0)	(76.4)
Taxation paid	31	(217.2)	(239.5)	(155.6)
Net cash from operations		614.8	826.3	936.7
Dividends paid/advanced		(57.0)	(70.7)	(40.7)
Owners of the parent		(45.5)	(62.8)	(39.2)
Non-controlling interest holders		(9.8)	(6.4)	(0.2)
South Deep BEE dividend		(1.7)	(1.5)	(1.3)
Cash generated by continuing operations		557.8	755.6	896.0
Cash generated by discontinued operations			6.8	21.5
Cash flows from investing activities		(886.8)	(908.6)	(867.9)
Additions to property, plant and equipment		(814.2)	(833.6)	(628.5)
Proceeds on disposal of property, plant and equipment		78.9	23.2	2.3
Purchase of Gruyere Gold project assets	16.2			(197.1)
Purchase of Asanko Gold joint venture investment	15	(165.0)		
Purchase of investments		(19.3)	(80.1)	(12.7)
Proceeds on disposal of investments		0.5		4.4
Proceeds on disposal of Arctic Platinum Project		40.0		
Proceeds on disposal of Darlot			5.4	
Contributions to environmental trust funds		(7.7)	(16.7)	(14.8)
Cash utilised in continuing operations		(886.8)	(901.8)	(846.4)
Cash utilised in discontinued operations			(6.8)	(21.5)

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Cash flows from financing activities		257.3	84.2	37.0
Shares issued				151.5
Loans raised		691.7	779.7	1,298.7
Loans repaid		(431.9)	(695.5)	(1,413.2)
Payment of finance lease liabilities		(2.5)		
Cash generated by continuing operations		257.3	84.2	37.0
Cash generated by discontinued operations				
Net cash (utilised)/generated		(71.7)	(62.0)	86.6
Effect of exchange rate fluctuation on cash held		(7.6)	14.3	0.1
Cash and cash equivalents at beginning of the year		479.0	526.7	440.0
Cash and cash equivalents at end of the year	21	399.7	479.0	526.7

The accompanying notes form an integral part of these consolidated financial statements.

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Notes to the consolidated financial statements

for the year ended 31 December

	2018	2017	2016
<i>Figures in millions unless otherwise stated</i>			
1. REVENUE			
The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in note 41. Due to the transition method chosen in adopting IFRS 15, comparative information has not been restated to reflect the new requirements.			
Revenue from contracts with customers	2,577.8	2,761.8	2,666.4
Gold ¹	2,408.6	2,584.0	2,535.8
Copper ²	169.2	177.8	130.6
Disclosure of disaggregated revenue from contracts with customers			
The Group generates revenue primarily from the sale of gold and copper concentrate to refineries and banks. All revenue from contracts with customers is recognised at a point in time. The Group also produces silver which is an insignificant by-product.			
The disaggregation of revenue from contracts with customers by primary geographical market and product is described in the segment note (note 42).			
2. COST OF SALES			
Salaries and wages	(392.8)	(414.7)	(388.1)
Consumable stores	(280.0)	(346.7)	(346.3)
Utilities	(148.3)	(150.1)	(169.8)
Mine contractors	(365.3)	(307.4)	(308.4)
Other	(204.4)	(207.6)	(163.1)
Cost of sales before gold inventory change and amortisation and depreciation	(1,390.8)	(1,426.5)	(1,375.7)
Gold inventory change	16.2	69.5	45.9

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Cost of sales before amortisation and depreciation	(1,374.6)	(1,357.0)	(1,329.8)
Amortisation and depreciation	(668.4)	(748.1)	(671.4)
Total cost of sales	(2,043.0)	(2,105.1)	(2,001.2)
3. INVESTMENT INCOME			
Dividends received	0.4		
Interest received environmental trust funds	0.6	0.5	1.0
Interest received cash balances	6.8	5.1	7.3
Total investment income	7.8	5.6	8.3
4. FINANCE EXPENSE			
Interest expense environmental rehabilitation	(11.7)	(12.1)	(10.7)
Unwinding of discount on silicosis settlement costs	(2.0)	(0.9)	
Interest expense finance lease liability	(0.2)		
Interest expense borrowings	(91.6)	(91.2)	(82.5)
Borrowing costs capitalised	17.5	22.9	15.1
Total finance expense	(88.0)	(81.3)	(78.1)

¹ All regions.

² Only Peru region (Cerro Corona).

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

5. SHARE-BASED PAYMENTS

The Group granted equity-settled instruments comprising share options and restricted shares to executive directors, certain officers and employees. During the year ended 31 December 2018, the following share plans were in place: the Gold Fields Limited 2005 Share Plan, the Gold Fields Limited 2012 Share Plan and the Gold Fields Limited 2012 Share Plan as amended in 2016. During 2016, the Gold Fields Limited 2012 Share Plan as amended in 2016 was introduced to replace the long-term incentive scheme (LTIP). Allocations under this plan were made during 2016, 2017 and 2018.

The following information is available for each plan:

		United States Dollar				
		2018	2017		2016	
<i>Figures in millions unless otherwise stated</i>		Continuing operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
(a)	Gold Fields Limited 2005 Share Plan					
(b)(i)	Gold Fields Limited 2012 Share Plan					
	Performance Shares				1.9	
	Bonus Shares					
(b)(ii)	Gold Fields Limited 2012 Share Plan amended					
	Performance Shares	34.7	24.5	0.6	12.1	0.4
	Retention Shares	2.5	2.1			
	Restricted/Matching Shares	0.3	0.2			

Total included in profit or loss for the year	37.5	26.8	0.6	14.0	0.4
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(a) Gold Fields Limited 2005 Share Plan

At the Annual General Meeting on 17 November 2005, shareholders approved the adoption of the Gold Fields Limited 2005 Share Plan to replace the GF Management Incentive Scheme approved in 1999. The plan provided for two methods of participation, namely the Performance Allocated Share Appreciation Rights Method (SARS) and the Performance Vesting Restricted Share Method (PVRs). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made following the introduction of the Gold Fields Limited 2012 Share Plan (see below) and the plan was closed.

The following table summarises the movement of share options under the Gold Fields Limited 2005 Share Plan during the years ended 31 December 2018, 2017 and 2016:

	2018		2017		2016	
	Share appreciation rights (SARS)	Average instrument price (US\$)	Share appreciation rights (SARS)	Average instrument price (US\$)	Share appreciation rights (SARS)	Average instrument price (US\$)
Outstanding at beginning of the year	11,521	9.42	530,611	7.39	1,025,178	6.03
Movement during the year:						
Forfeited	(11,521)	9.42	(519,090)	7.75	(494,567)	5.27
Outstanding at end of the year (vested)			11,521	9.42	530,611	7.39

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **155****5. SHARE-BASED PAYMENTS (continued)****(b)(i) Gold Fields Limited 2012 Share Plan awards prior to 1 March 2016**

At the Annual General Meeting on 14 May 2012, shareholders approved the adoption of the Gold Fields Limited 2012 Share Plan to replace the Gold Fields Limited 2005 Share Plan. The plan provided for two methods of participation, namely the Performance Share Method (PS) and the Bonus Share Method (BS). This plan sought to attract, retain, motivate and reward participating employees on a basis which sought to align the interests of such employees with those of the Company's shareholders. No further allocations of options under this plan are being made following the introduction of the Gold Fields Limited 2012 Share Plan amended awards after 1 March 2016 (see below) and the plan was closed.

The salient features of the plan were:

PS were offered to participants annually in March. Quarterly allocations of PS were also made in June, September and December on a pro rata basis to qualifying new employees. PS were performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Group during the three-year restricted period prior to the share vesting period);

Based on the rules of the plan, the actual number of PS which would be settled to a participant three years after the original award date was determined by the Group's performance measured against the performance of seven other major gold mining companies (the peer group) based on the relative change in the Gold Fields share price compared to the basket of respective US Dollar share prices of the peer group. Furthermore, for PS awards to be settled to members of the Executive Committee, an internal company performance target is required to be met before the external relative measure is applied. The internal target performance criterion was set at 85% of the Group's planned gold production over the three-year measurement period as set out in the business plans of the Group approved by the Board. In the event that the internal target performance criterion was met, the full initial target award would be settled on the settlement date. In addition, the Remuneration Committee determined that the number of PS to be settled could be increased by up to 200% of the number of the initial target PS conditionally awarded, depending on the performance of the Company relative to the performance of the peer group, based on the relative change in the Gold Fields share price compared to the basket of respective US Dollar share prices of the peer group;

The performance of the Company that resulted in the settlement of shares was measured by the Company's share price performance relative to the share price performance of the following peer gold mining companies, collectively referred to as the peer group , over the three-year period:

AngloGold Ashanti;

Barrick Gold Corporation;

Goldcorp Incorporated;

Harmony Gold Mining Company;

Newmont Mining Corporation;

Newcrest Mining Limited; and

Kinross Gold Corporation;

The performance of the Company's shares against the shares of the peer group was measured for the three-year period running from the relevant award date; BS were offered to participants annually in March; and Based on the rules of the plan, the actual number of BS which would be settled in equal proportions to a participant over a nine-month and an 18-month period after the original award date was determined by the employee's annual cash bonus, calculated with reference to actual performance against predetermined targets for the financial year ended immediately preceding the award date.

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

5. SHARE-BASED PAYMENTS (continued)**(b)(i) Gold Fields Limited 2012 Share Plan awards prior to 1 March 2016** (continued)

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan during the years ended 31 December 2017 and 2016:

	2017 Performance	2016 Performance
	Shares	Shares
	(PS)	(PS)
Outstanding at beginning of the year	393,178	2,446,922
Movement during the year:		
Granted		393,178
Exercised and released		(2,428,904)
Forfeited	(393,178)	(18,018)
Outstanding at end of the year		393,178

No share options were awarded under the 2012 Share Plan for the year ended 31 December 2018.

(b)(ii) Gold Fields Limited 2012 Share Plan amended awards after 1 March 2016

At the Annual General Meeting on 18 May 2016, shareholders approved the adoption of the revised Gold Fields Limited 2012 Share Plan to replace the LTIP. The plan provides for four types of participation, namely Performance Shares (PS), Retention Shares (RS), Restricted Shares (RSS) and Matching Shares (MS). This plan is in place to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the Company's shareholders. Currently, the last vesting date is 1 March 2021.

The salient features of the plan are:

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PS are offered to participants annually in March. PS are performance-related shares, granted at zero cost (the shares are granted in exchange for the rendering of service by participants to the Group during the three-year restricted period prior to the share vesting period);

Based on the rules of the plan, the actual number of PS which will be settled to a participant three years after the original award date is determined by the following performance conditions:

Performance				
condition	Weighting	Threshold	Target	Stretch and cap
Absolute total shareholder return (TSR)	33%	N/A No vesting below target	Compounded cost of equity in real terms over three-year performance period	Compounded cost of equity in real terms over three-year performance period +6% per annum
Relative TSR	33%	Median of the peer group	Linear vesting to apply between median and upper quartile performance and capped at upper quartile performance	
Free cash flow margin (FCFM)	34%	Average FCFM over performance period of 5% at a gold price of \$1,300/oz margin to be adjusted relative to the actual gold price for the three-year period	Average FCFM over performance period of 15% at a gold price of \$1,300/oz margin to be adjusted relative to the actual gold price for the three-year period	Average FCFM over performance period of 20% at a gold price of \$1,300/oz margin to be adjusted relative to the actual gold price for the three-year period

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **157****5. SHARE-BASED PAYMENTS** (continued)**(b)(ii) Gold Fields Limited 2012 Share Plan amended awards after 1 March 2016** (continued)

The vesting profile will be as follows:

Performance condition	Threshold	Target	Stretch and cap
Absolute TSR ^{1,4}	0%	100%	200%
Relative TSR ^{1,3,4}	0%	100%	200%
FCFM ²	0%	100%	200%

¹ Absolute TSR and relative TSR: Linear vesting will occur between target and stretch (no vesting occurs for performance below target).

² FCFM: Linear vesting will occur between threshold, target and stretch.

³ The peer group consists of 10 companies: AngloGold Ashanti, Goldcorp, Barrick, Eldorado Gold, Randgold, Yamana, Agnico Eagle, Kinross, Newmont and Newcrest.

⁴ TSR will be calculated as the compounded annual growth rate (CAGR) of the TSR index between the average of the 60 trading days up to the first day of the performance period and the average of the 60 trading days up to the last day of the performance period. TSR will be defined as the return on investing in ordinary shares in the Company at the start of the performance period, holding the shares and reinvesting the dividends received on the portfolio in Gold Fields shares over the performance period. The USD TSR index, provided by external service providers will be based on the USD share price.

RS can be awarded on an ad hoc basis to key employees where a retention risk has been identified. These will be subject to the vesting condition of service over a period of three years only;

RSS: In 2016, Gold Fields implemented a minimum shareholding requirement (MSR) where executives are required to build and to hold a percentage of their salary in Gold Fields shares over a period of five years. Executives will be given the opportunity (as at the approval date of the MSR), prior to the annual bonus being communicated or the upcoming vesting date of the LTIP award or PS, to elect to receive all or a

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portion of their annual bonus or cash LTIP in restricted shares or to convert all or a portion of their unvested PS into restricted shares towards fulfilment of the MSR. These shares are subject to the holding period as set out below;

This holding period will mean that the restricted shares may not be sold or disposed of and that the beneficial interest must be retained therein until the earlier of:

Notice given by the executive, provided that such notice may only be given after five years from the start of the holding period;

Termination of employment of that employee, i.e. retirement, retrenchment, ill health, death, resignation or dismissal;

Abolishment of the MSR; or

In special circumstances such as proven financial hardship or compliance with the MSR, upon application by the employee and approval by the Remuneration Committee;

MS: To facilitate the introduction of the MSR policy and to compensate executives for participating in RSS and holding their shares for an additional five years, thus exposing themselves to further market volatility, the Company intends to make a matching award. This is intended to entail a conditional award of shares of one share for every three shares committed towards the MSR (matching shares), rounded to the nearest full share. The MS will vest on a date that corresponds with the end of the holding period of the shares committed towards the MSR provided the executive is still in the employment of the Company and has met the MSR requirements of the MSR policy, including having sustainably accumulated shares to reach the MSR over the five-year holding period.

At 31 December 2018, the maximum number of MS that could vest, based on shares already committed to MSR, at the end of five years was 407,223 (2017: 403,027 and 2016: 169,158) shares.

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for the year ended 31 December

5. SHARE-BASED PAYMENTS (continued)**(b)(ii) Gold Fields Limited 2012 Share Plan amended awards after 1 March 2016** (continued)

The following table summarises the movement of share options under the Gold Fields Limited 2012 Share Plan as amended in 2016 during the years ended 31 December 2018, 2017 and 2016:

	2018	2017	2016
	Performance Shares (PS)	Performance Shares (PS)	Performance Shares (PS)
Outstanding at beginning of the year	18,279,130	8,138,472	
Movement during the year:			
Granted	811,829	11,744,152	8,196,037
Exercised and released		(34,827)	
Forfeited	(728,982)	(1,568,667)	(57,565)
Outstanding at end of the year	18,361,977	18,279,130	8,138,472

At 31 December 2018, none of the outstanding options of 18,361,977 had vested.

	2017	2016

2018

The fair value of equity instruments granted during the year ended 31 December 2018, 2017 and 2016 were valued using the Monte Carlo simulation model:

Monte Carlo simulation

Performance shares

The inputs to the model for options granted during the year were as follows:

Weighted average historical volatility (based on a statistical analysis of the share price on a weighted moving average basis for the expected term of the option)

Expected term (years)

Dividend yield 1

Weighted average three-year risk-free interest rate (based on US interest rates)

Weighted average fair value (United States Dollar)

58.6%

3 years

n/a

2.0%

5.0

64.3%

3 years

n/a

1.6%

4.2

58.1%

3 years

n/a

0.5%

2.6

¹ There is no dividend yield applied to the Monte Carlo simulation model as the performance conditions follow a total shareholder return method.

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5. SHARE-BASED PAYMENTS (continued)

(b)(ii) **Gold Fields Limited 2012 Share Plan amended awards after 1 March 2016** (continued)

Summary:

The following table summarises information relating to the options and equity-settled instruments under all plans outstanding at 31 December 2018, 2017 and 2016:

	2018			2017			2016		
Number of instruments	Price (US\$)	Contractual life (years)	Number of instruments	Price (US\$)	Contractual life (years)	Number of instruments	Price (US\$)	Contractual life (years)	
at end of	18,361,977		18,279,130			8,531,650			
						3,835	6.79	0.50	
						515,255	7.37	0.34	
			11,521	9.42		11,521	8.44	1.00	
at end of	18,361,977		18,290,651			9,062,261			
share price at the end of the period	3.46		3.76			4.29			

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The compensation costs related to awards not yet recognised under the above plans at 31 December 2018, 2017 and 2016 amount to US\$20.8 million, US\$53.0 million and US\$36.6 million, respectively, and are to be recognised over four years.

The directors were authorised to issue and allot all or any of such shares required for the plans, but in aggregate all plans may not exceed 41,076,635 of the total issued ordinary stated capital of the Company. An individual participant may also not be awarded an aggregate of shares from all or any such plans exceeding 4,107,663 of the Company's total issued ordinary stated capital. The unexercised options and shares under all plans represented 2.2% of the total issued stated capital at 31 December 2018.

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	United States Dollar		
<i>Figures in millions unless otherwise stated</i>	2018	2017	2016
6. IMPAIRMENT, NET OF REVERSAL OF IMPAIRMENT OF INVESTMENTS AND ASSETS			
Investments	(36.9)	(3.7)	(0.1)
Listed investments		(0.5)	(0.1)
Unlisted investments		(3.2)	
Equity accounted investees			
Far Southeast Gold Resources Incorporated	(36.9)		
Property, plant and equipment	(411.7)	81.3	(76.4)
Reversal of impairment of Arctic Platinum Project (APP ²)		39.0	
(Impairment)/reversal of impairment of property, plant and equipment other	(1.9)	42.3	(76.4)
South Deep cash-generating unit ⁴	(409.8)		
Goodwill	(71.7)	(277.8)	
South Deep goodwill ⁴	(71.7)	(277.8)	
Impairment, net of reversal of impairment of investments and assets	(520.3)	(200.2)	(76.5)

¹ Following the identification of impairment indicators at 31 December 2018, FSE was valued at its recoverable amount which resulted in an impairment of US\$36.9 million. The recoverable amount was based on the fair value less cost of disposal (FVL COD) of the investment (level 2 in the fair value hierarchy). The FVL COD was indirectly derived from the market value of Lepanto Consolidated Mining Company, being the 60% shareholder of FSE. The impairment is included in the Corporate and other segment.

² Refer note 12.2 for further details. The reversal of impairment was included in the Corporate and other segment.

³ (Impairment)/reversal of impairment of property, plant and equipment other is made up as follows:

	2018	2017	2016
Redundant assets at Cerro Corona	(1.9)	(0.8)	
Reversal of cash-generating unit impairment at Cerro Corona (2016: impairment of US\$66.4 million) <i>(The impairment in 2016 was due to the reduction in gold and copper reserves due to depletion, a decrease in the gold and copper price assumptions for 2017 and 2018, a lower resource price and an increase in the Peru tax rate. The reversal of the impairment in 2017 was due to a higher value-in-use following the completion of a pre-feasibility study in 2017, with the assistance of external specialists, extending the life-of-mine from 2023 to 2030 by optimising the tailings density and increasing the tailings capacity by using in-pit tailings after mining activities end. After taking into account one year amortisation, the reversal of impairment amounted to US\$53.4 million (2016: The recoverable amount was based on its FVLCOD calculated using a combination of the market and the income approach (level 3 of the fair value hierarchy)). Refer to accounting policies on page 135 for assumptions).</i>		53.4	(66.4)
Damang assets held for sale <i>(Following the Damang reinvestment plan, a decision was taken to sell certain mining fleet assets and related spares. The sale of the assets was expected to be concluded during 2017. As a result, the assets were classified as held for sale (refer note 12) and valued at the lower of FVLCOD or carrying value which resulted in an impairment of US\$7.6 million).</i>			(7.6)
Asset-specific impairment at Tarkwa <i>(Relating to aged, high maintenance and low effectiveness mining fleet that is no longer used).</i>		(6.8)	
Asset-specific impairment at Damang <i>(Relating to all assets at the Rex pit. Following a series of optimisations, the extensional drilling failed to deliver sufficient tonnages at viable grades to warrant further work (2016: inoperable mining fleet that is no longer used under the current life-of-mine plan).</i>		(3.5)	(2.4)
(Impairment)/reversal of impairment of property, plant and equipment other	(1.9)	42.3	(76.4)

⁴ For the year ended 31 December 2018, the Group recognised an impairment of R6,470.9 million (US\$481.5 million) (2017: R3,495.0 billion (US\$277.8 million) and 2016: Rnil (US\$nil)) in respect of the South Deep cash-generating unit due to the deferral of production. R963.9 million (US\$71.7 million) (2017:

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R3,495.0 billion (US\$277.8 million)) of the total impairment was firstly allocated against goodwill and the remainder of R5,507.0 million (US\$409.8 million) (2017: Rnil (US\$nil)) against other assets. The recoverable amount was based on its FVLCOD calculated using a combination of the market and the income approach (level 3 of the fair value hierarchy). The impairment calculation was performed in June 2018 and given that impairment indicators still existed at 31 December 2018, a further assessment was performed. The recoverable amount at 31 December 2018 is R21,2 billion (US\$1.4 billion). There were no further impairments at 31 December 2018 using the following assumptions:

Gold price of R525,000 per kilogram for 2019 and R550,000 per kilogram thereafter;

Resource price of US\$17 per ounce at the Rand/US Dollar exchange rate of R14.63;

Resource ounces of 24.5 million ounces;

Life-of-mine: 75 years; and

Nominal discount rate of 13.5%.

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United States Dollar

	2018	2017	2016
<i>Figures in millions unless otherwise stated</i>			
7. INCLUDED IN (LOSS)/PROFIT BEFORE ROYALTIES AND TAXATION ARE THE FOLLOWING:			
Operating lease charges ¹	(2.3)	(2.4)	(2.8)
Profit on buy-back of notes ¹			17.7
Social contributions and sponsorships ¹	(15.1)	(19.6)	(19.3)
Global compliance costs ¹			(0.1)
Loss on sale of inventory ^{1,2}	(8.9)		
Rehabilitation income ¹ continuing operations	0.9	13.5	9.7
Rehabilitation income ¹ discontinued operations			0.2
Restructuring costs ³	(113.9)	(9.2)	(11.7)
8. ROYALTIES			
South Africa	(1.0)	(1.8)	(1.8)
Foreign	(61.5)	(60.2)	(76.6)
Total royalties	(62.5)	(62.0)	(78.4)
Royalty rates			
South Africa (effective rate) ⁴	0.5%	0.5%	0.5%
Australia ⁵	2.5%	2.5%	2.5%
Ghana ⁶	3.0%	3.0%	5.0%
Peru ⁷	4.0%	4.6%	6.4%

¹ Included under *Other costs, net* in the consolidated income statement.

² The loss on sale of inventory related to the sale of inventory at Tarkwa as part of the transition to contractor mining.

³ The restructuring costs in 2018 comprise mainly separation packages at South Deep amounting to US\$11.2 million (2017: US\$2.3 million and 2016: US\$nil), Damang amounting to US\$13.9 million (2017: US\$2.2 million and 2016: US\$9.9 million), Tarkwa amounting to US\$88.8 million (2017: US\$4.7 million and 2016: US\$0.2 million).

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million), Australia amounting to US\$nil (2017: US\$nil and 2016: US\$1.6 million). The restructuring costs of US\$88.8 million at Tarkwa in 2018 related to the transition to contractor mining.

- ⁴ The Mineral and Petroleum Resource Royalty Act 2008 (*Royalty Act*) was promulgated on 24 November 2008 and became effective from 1 March 2010. The Royalty Act imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Act) minerals payable to the state. The royalty in respect of refined minerals (which include gold refined to 99.5% and above and platinum) is calculated by dividing earnings before interest and taxes (*EBIT*) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. *EBIT* refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% has been introduced on refined minerals. The effective rate of royalty tax payable for the year ended 31 December 2018 was 0.5% of mining revenue (2017: 0.5% and 2016: 0.5%) equalling the minimum charge per the formula.
- ⁵ The Australian operations are subject to a 2.5% (2017: 2.5% and 2016: 2.5%) gold royalty on revenue as the mineral rights are owned by the state.
- ⁶ Minerals are owned by the Republic of Ghana and held in trust by the President. During 2016, Gold Fields signed a Development Agreement (*DA*) with the Government of Ghana for both the Tarkwa and Damang mines. This agreement stated that the Ghanaian operations will be subject to a sliding scale for royalty rates, linked to the prevailing gold price (effective 1 January 2017). The sliding scale is as follows:

Average gold price		
Low value	High value	Royalty rate
US\$0.00	US\$ 1,299.99	3.0%
US\$1,300.00	US\$ 1,449.99	3.5%
US\$1,450.00	US\$ 2,299.99	4.1%
US\$2,300.00	Unlimited	5.0%

During 2016, the Ghanaian operations were subject to a 5.0% gold royalty on revenue.

- ⁷ The Peruvian operations are subject to a mining royalty calculated on a sliding scale with rates ranging from 1% to 12% of the value of operating profit.

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

	United States Dollar		
	2018	2017	2016
<i>Figures in millions unless otherwise stated</i>			
9. MINING AND INCOME TAXATION			
The components of mining and income tax are the following:			
South African taxation			
non-mining tax		(1.2)	(1.0)
Company and capital gains taxation	(1.1)	(1.1)	(3.9)
prior year adjustment	0.7	0.2	0.3
current taxation			
deferred taxation	208.5	12.1	(9.5)
Foreign taxation			
current taxation	(127.9)	(199.8)	(193.3)
dividend withholding tax	(13.7)		
prior year adjustment	(3.7)	(2.8)	(6.3)
current taxation			
deferred taxation	3.1	19.4	24.2
Total mining and income taxation	65.9	(173.2)	(189.5)
Major items causing the Group's income taxation to differ from the maximum South African statutory mining tax rate of 34.0% (2017: 34.0% and 2016: 34.0%) were:			
Taxation on profit before taxation at maximum South African statutory mining tax rate	139.6	(51.8)	(121.5)
Rate adjustment to reflect the actual realised company tax rates in South Africa and offshore	(6.7)	19.2	22.4
Non-deductible share-based payments	(12.8)	(9.1)	(4.8)
Non-deductible exploration expense	(22.1)	(19.7)	(15.2)
Deferred tax assets not recognised on impairment and reversal of impairment of investments ¹	(12.5)	13.3	
Impairment of South Deep goodwill	(24.4)	(94.5)	

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Non-deductible interest paid	(25.5)	(24.2)	(24.2)
Non-taxable profit on disposal of investments			0.8
Non-taxable profit on buy-back of notes			6.0
Share of results of equity-accounted investees, net of taxation	(4.5)	(0.4)	(0.8)
Non-taxable gain on acquisition of Asanko	17.6		
Non-taxable fair value gain on Maverix warrants	1.3		
Non-taxable profit on dilution of Gold Fields interest in Maverix	1.4		
Dividend withholding tax	(15.5)		
Net non-deductible expenditure and non-taxable income	(7.6)	(5.3)	(9.7)
Deferred tax raised on unremitted earnings at Tarkwa and Cerro Corona (2017: Tarkwa)	(1.1)	(9.5)	
Deferred taxation movement on Peruvian Nuevo Sol devaluation against US Dollar ²	(1.2)	5.2	(1.1)
Various Peruvian non-deductible expenses	(7.5)	(5.3)	(8.3)
Deferred tax assets not recognised at Cerro Corona (2017: Cerro Corona and Damang) ³	(14.9)	(12.9)	(34.9)
Utilisation of tax losses not previously recognised at Damang		7.1	
Deferred tax assets recognised at Damang (2017: Cerro Corona and Damang) ⁴	6.5	19.8	
Additional capital allowances recognised at South Deep ⁵	69.8		
Deferred tax charge on change of tax rate at South Deep (2016: Peruvian and Ghanaian operations)	(10.9)		8.6
Prior year adjustments	(3.0)	(2.6)	(6.0)
Other	(0.1)	(2.5)	(0.8)
Total mining and income taxation	65.9	(173.2)	(189.5)

¹ *Deferred tax assets not recognised on impairment of investments relate to the impairment of FSE (2017: reversal of impairment of APP). Refer to note 6 for details of impairments.*

² *The functional currency of Cerro Corona is US Dollar, however, the Peruvian tax base is based on values in Peruvian Nuevo Sol.*

³ *Deferred tax assets amounting to US\$14.9 million (2017: US\$12.9 million and 2016: US\$34.9 million) were not recognised during the year at Cerro Corona and Damang to the extent that there is insufficient future taxable income available. At Cerro Corona, deferred tax assets amounting to US\$14.9 million (2017: US\$12.9 million and 2016: US\$33.5 million) were not recognised during the year related to deductible temporary differences on additions to fixed assets in the current financial year that would only reverse after the end of the life-of-mine (LoM) of Cerro Corona. At Damang, deferred tax assets amounting to US\$nil (2017: US\$nil and 2016: US\$1.4 million) were not recognised during the year related to net deductible temporary differences reversing in the current financial year. In making this determination, the Group analysed, among others, forecasts of future earnings and the nature and timing of future deductions and benefits represented by deferred tax assets.*

⁴ *Due to year-end assessments, deferred tax assets amounting to US\$nil (2017: US\$17.3 million) and US\$6.5 million (2017: US\$2.5 million) were recognised at Cerro Corona and Damang, respectively, to the extent that there is sufficient future taxable income available. During 2017, Cerro Corona completed a pre-feasibility study extending the LoM from 2023 to 2030. A significant portion of the deductible temporary differences on fixed assets that were scheduled to reverse after the end of the LoM at Cerro Corona will now reverse over the extended LoM, resulting in the recognition of deferred tax assets amounting to US\$17.3 million in 2017. At Damang, the LoM indicated that the mine would make taxable profits in the future that would support the write back of a portion of the deferred tax asset amounting to US\$6.5 million (2017: US\$2.5 million) in 2018. In making this determination, the Group analysed, among others, forecasts of future earnings and the nature and timing of future deductions and benefits represented by deferred tax assets.*

⁵ *During 2014, the South African Revenue Service (SARS) issued a Finalisation of Audit Letter (the Audit Letter) stating that SARS had disallowed US\$182.2 million of GFIJVH s gross recognised capital allowance of US\$925.5 million. On 30 May 2018, GFIJVH and SARS entered into a confidential settlement agreement (as provided for in the Tax Administration Act) in full and final settlement of this matter. As a result of the settlement*

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GFIJVH recognised an additional US\$185.1 million of capital allowances with a tax effect on this amount of US\$53.7 million. Refer note 35 on Contingent Liabilities for further details.

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United States Dollar

<i>Figures in millions unless otherwise stated</i>	2018	2017	2016
South Africa current tax rates			
Mining tax ¹	Y = 34 170/X	Y = 34 170/X	Y = 34 170/X
Non-mining tax ²	28.0%	28.0%	28.0%
Company tax rate	28.0%	28.0%	28.0%
International operations current tax rates			
Australia	30.0%	30.0%	30.0%
Ghana ³	32.5%	32.5%	32.5%
Peru	29.5%	29.5%	30.0%

¹ South African mining tax on mining income is determined according to a formula which takes into account the profit and revenue from mining operations. South African mining taxable income is determined after the deduction of all mining capital expenditure, with the proviso that this cannot result in an assessed loss. Capital expenditure amounts not deducted are carried forward as unredeemed capital expenditure to be deducted from future mining income. Accounting depreciation is ignored for the purpose of calculating South African mining taxation. The effective mining tax rate for Gold Fields Operations Limited (GFO) and GFI Joint Venture Holdings Proprietary Limited (GFIJVH), owners of the South Deep mine, has been calculated at 29% (2017: 30% and 2016: 30%).

In the formula above, Y is the percentage rate of tax payable and X is the ratio of mining profit, after the deduction of redeemable capital expenditure, to mining revenue expressed as a percentage.

² Non-mining income of South African mining operations consists primarily of interest income.

³ On 11 March 2016, Gold Fields signed a development agreement with the Government of Ghana for both the Tarkwa and Damang mines. This agreement resulted in a reduction in the corporate tax rate from 35.0% to 32.5%, effective 17 March 2016.

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Deferred tax is provided at the expected future rate for mining operations arising from temporary differences between the carrying values and tax values of assets and liabilities.

At 31 December 2018, the Group had the following estimated amounts available for set-off against future income (pre-tax):

United States Dollar

	2018			2017		
	Gross unredeemed capital expenditure	Gross tax losses	Gross deferred tax asset not recognised	Gross unredeemed capital expenditure	Gross tax losses	Gross deferred tax asset not recognised
<i>Figures in millions unless otherwise stated</i>						
South Africa¹						
GFO	638.0	206.4		716.4	192.5	
GFIJVH ^{2,3}	1,003.1	41.0		2,427.1		1,501.6
Gold Fields Group Services Proprietary Limited		1.3				
	1,641.1	248.7		3,143.5	192.5	1,501.6
International operations						
Exploration entities ⁴		430.0	430.0		445.9	445.9
Abosso Goldfields Limited ⁵		80.9			201.4	63.5
		510.9	430.0		647.3	509.4

¹ These deductions are available to be utilised against income generated by the relevant tax entity and do not expire unless the tax entity concerned ceases to operate for a period of longer than one year. Under South African mining tax ring-fencing legislation, each tax entity is treated separately and as such these deductions can only be utilised by the tax entities in which the deductions have been generated. South African tax losses and unredeemed capital expenditure have no expiration date.

² The above US\$1,003.1 million (2017: US\$2,427.1 million) comprises US\$1,003.1 million (2017: US\$925.5 million) gross recognised capital allowance and US\$nil (2017: US\$1,501.6 million) gross unrecognised capital allowance.

³ During 2014, the South African Revenue Service (SARS) issued a Finalisation of Audit Letter (the Audit Letter) stating that SARS had disallowed US\$182.2 million of GFIJVH s gross recognised capital allowance of US\$925.5 million. On 30 May 2018, GFIJVH and SARS entered into a confidential settlement agreement (as provided for in the Tax Administration Act) in full and final settlement of this matter. As a result of the settlement GFIJVH recognised an additional US\$185.1 million of capital allowances, previously not recognised, with a tax effect on this amount of US\$53.7 million. Refer note 35 on contingent liabilities for further details.

⁴ The total tax losses of US\$430.0 million (2017: US\$445.9 million) comprise US\$18.6 million (2017: US\$22.9 million) tax losses that expire between one and two years, US\$27.6 million (2017: US\$57.6 million) tax losses that expire between two and five years, US\$20.3 million (2017: US\$30.4 million) tax losses that

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expire between five and 10 years, US\$42.3 million (2017: US\$43.2 million) tax losses that expire after 10 years and US\$320.9 million (2017: US\$291.8 million) tax losses that have no expiry date.

⁵ *Tax losses may be carried forward for five years. These losses expire on a first-in-first-out basis. Tax losses of US\$19.0 million (2017: US\$44.5 million) expire in two years, tax losses of US\$2.9 million (2017: US\$19.0 million) expire in three years, tax losses of US\$31.5 million (2017: US\$91.7 million) expire in four years and tax losses of US\$27.5 million (2017: US\$46.2 million) expire in five years.*

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

United States Dollar

	2018	2017	2016
<i>Figures in millions unless otherwise stated</i>			
10. EARNINGS PER SHARE			
10.1 Basic (loss)/earnings per share from continuing operations cents	(42)	(4)	19
Basic (loss)/earnings per share is calculated by dividing the loss attributable to owners of the parent from continuing operations of US\$348.2 million (2017: loss of US\$31.8 million and 2016: profit of US\$157.0 million) by the weighted average number of ordinary shares in issue during the year of 821,532,707 (2017: 820,611,806 and 2016: 809,889,990).			
10.2 Basic earnings per share from discontinued operations cents		2	
Basic earnings per share is calculated by dividing the profit attributable to owners of the parent from discontinued operations of US\$nil (2017: US\$13.1 million and 2016: US\$1.2 million) by the weighted average number of ordinary shares in issue during the year of 821,532,707 (2017: 820,611,806 and 2016: 809,889,990).			
10.3 Diluted basic (loss)/earnings per share from continuing operations cents	(42)	(4)	19
Diluted basic (loss)/earnings per share is calculated on the basis of loss attributable to owners of the parent from continuing operations of US\$348.2 million (2017: loss of US\$31.8 million and 2016: profit of US\$157.0 million) and 832,465,491 (2017: 826,920,421 and 2016: 810,082,191)			

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shares being the diluted number of ordinary shares in issue during the year.

The weighted average number of shares has been adjusted by the following to arrive at the diluted number of ordinary shares:

Weighted average number of shares

821,532,707	820,611,806	809,889,990
10,932,784	6,308,615	192,201
832,465,491	826,920,421	810,082,191

Share options in issue

Diluted number of ordinary shares

10.4 Diluted basic earnings per share from discontinued operations cents

Diluted basic earnings per share is calculated on the basis of profit attributable to owners of the parent from discontinued operations of US\$nil (2017: US\$13.1 million and 2016: US\$1.2 million) and 832,465,491 (2017: 826,920,421 and 2016: 810,082,191) shares being the diluted number of ordinary shares in issue during the year.

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	United States Dollar		
	2018	2017	2016
<i>Figures in millions unless otherwise stated</i>			
10. EARNINGS PER SHARE (continued)			
10.5 Headline earnings per share from continuing operations cents	7	26	24
Headline earnings per share is calculated on the basis of adjusted net earnings attributable to owners of the parent from continuing operations of US\$60.6 million (2017: US\$212.3 million and 2016: US\$198.3 million) and 821,532,707 (2017: 820,611,806 and 2016: 809,889,990) shares being the weighted average number of ordinary shares in issue during the year.			
Net (loss)/profit attributable to owners of the parent from continuing operations is reconciled to headline earnings as follows:			
Long-form headline earnings reconciliation			
(Loss)/profit attributable to owners of the parent from continuing operations	(348.2)	(31.8)	157.0
Profit on disposal of investments, net			(2.3)
Gross			(2.3)
Taxation effect			
Loss/(profit) on disposal of assets, net	37.0	(2.6)	(41.0)
Gross	51.6	(4.0)	(48.0)
Taxation effect	(12.0)	1.2	7.0
Non-controlling interest effect	(2.6)	0.2	
Impairment, reversal of impairment and write-off of investments and assets and other, net	371.8	246.7	84.6
Impairment, net of reversal of impairment of investments and assets	520.3	200.2	76.5

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Write-off of exploration and evaluation assets	37.7	51.5	41.4
Profit on dilution of Gold Fields interest in Maverix	(4.0)		
Gain on acquisition of Asanko	(51.8)		
Taxation effect	(130.4)	(4.3)	(32.1)
Non-controlling interest effect		(0.7)	(1.2)
Headline earnings	60.6	212.3	198.3

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for the year ended 31 December

	United States Dollar		
	2018	2017	2016
<i>Figures in millions unless otherwise stated</i>			
10. EARNINGS PER SHARE (continued)			
10.6 Headline earnings per share from discontinued operations cents			1
Headline earnings per share is calculated on the basis of adjusted net loss attributable to owners of the parent from discontinued operations of US\$nil (2017: loss of US\$2.4 million and 2016: earnings of US\$5.5 million) and 821,532,707 (2017: 820,611,806 and 2016: 809,889,990) shares being the weighted average number of ordinary shares in issue during the year.			
Net profit attributable to owners of the parent from discontinued operations is reconciled to headline earnings as follows:			
Long-form headline (loss)/earnings reconciliation			
Profit attributable to owners of the parent from discontinued operations		13.1	1.2
Impairment and write-off of investments and assets and other, net		(15.5)	4.3
Gain on sale of discontinued operation		(23.5)	
Write-off of exploration and evaluation assets		1.5	6.1
Taxation effect		6.5	(1.8)
Headline (loss)/earnings		(2.4)	5.5
10.7 Diluted headline earnings per share from continuing operations cents	7	26	24
Diluted headline earnings per share is calculated on the basis of headline earnings attributable to owners of the parent continuing			

operations of US\$60.6 million (2017: US\$212.3 million and 2016: US\$198.3 million) and 832,465,491 (2017: 826,920,421 and 2016: 810,082,191) shares being the diluted number of ordinary shares in issue during the year.

10.8 Diluted headline earnings per share from discontinued operations cents

1

Diluted headline earnings per share is calculated on the basis of headline loss attributable to owners of the parent discontinued operations of US\$nil (2017: loss of US\$2.4 million and 2016: earnings of US\$5.5 million) and 832,465,491 (2017: 826,920,421 and 2016: 810,082,191) shares being the diluted number of ordinary shares in issue during the year.

11. DIVIDENDS

2017 final dividend of 50 SA cents per share (2016: 60 SA cents and 2015: 21 SA cents) declared on 13 February 2018.

34.7

37.5

10.6

2018 interim dividend of 20 SA cents was declared during 2018 (2017: 40 SA cents and 2016: 50 SA cents).

10.8

25.3

28.6

A final dividend in respect of the financial year ended 31 December 2018 of 20 SA cents per share was approved by the Board of Directors on 13 February 2019. This dividend payable is not reflected in these consolidated financial statements.

Dividends are subject to dividend withholding tax.

Total dividends

45.5

62.8

39.2

Dividends per share cents

6

8

5

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Gold Fields disposed of its Darlot mine to ASX-listed Red 5 Limited (Red 5) for a total consideration of A\$18.5 million, comprising A\$12.0 million in cash and 130 million Red 5 shares. The cash component was made up of an upfront amount of A\$7.0 million and A\$5.0 million deferred for up to 24 months. The deferred consideration could be taken as additional shares in Red 5 or as cash at Gold Fields election. In October 2018, the deferred consideration of A\$5.0 million was received in cash.

Red 5 undertook a rights issue to assist with the funding of the cash component and for general working capital purposes. Gold Fields used the A\$7.0 million to underwrite the rights issue. Gold Fields received a total number of 116,875,821 Red 5 shares under the underwriting agreement for a consideration of A\$5.8 million.

All conditions precedent in terms of the sales agreement were met on 2 October 2017 and as a result Gold Fields accounted for a profit on the sale of Darlot of A\$30.8 million (US\$23.5 million). Post the completion of the sale, Gold Fields had a 19.9% shareholding in Red 5. Gold Fields does not have significant influence over Red 5 as the shareholding is below 20% and there are no qualitative factors indicating that significant influence exists.

The financial results of Darlot were presented as a discontinued operation in the consolidated financial statements.

United States Dollar

Figures in millions unless otherwise stated

Below is a summary of the results of the discontinued operation for the year ended 31 December:

	2017	2016
Revenue	49.0	83.1
Cost of sales	(50.7)	(72.1)
Cost of sales before gold inventory change and amortisation and depreciation	(46.3)	(57.3)
Gold inventory change	(0.9)	(0.4)
Amortisation and depreciation	(3.5)	(14.4)
Other costs, net	(1.9)	(7.2)
(Loss)/profit before royalties and taxation	(3.6)	3.8

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Royalties	(1.1)	(2.0)
(Loss)/profit before taxation	(4.7)	1.8
Mining and income taxation	1.4	(0.6)
(Loss)/profit for the year from operating activities	(3.3)	1.2
Gain on sale of discontinued operation	23.5	
Income tax on gain on sale of discontinued operation	(7.1)	
Profit from discontinued operation, net of tax	13.1	1.2

2017

Figures in millions unless otherwise stated

US\$

A\$

Below is a summary of assets and liabilities of the discontinued operation at 2 October 2017:

Property, plant and equipment	3.3	4.3
Inventories	7.2	9.4
Trade and other receivables	0.1	0.1
Trade and other payables	(8.7)	(11.3)
Environmental rehabilitation costs provision	(12.9)	(16.9)
Net liabilities	(11.0)	(14.4)
Total consideration received less costs to sell ¹	12.5	16.4
Gain on sale of discontinued operations	23.5	30.8

¹ Due to the discounting of the deferred consideration and the transaction costs incurred, the total consideration of A\$16.4 million used in the determination of the gain on sale of discontinued operations is less than the A\$18.5 million per the agreement.

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for the year ended 31 December

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
12.2 ASSETS HELD FOR SALE		
APP ¹	40.0	40.0
Total assets held for sale	40.0	40.0

¹ Following the Group's decision during 2013 to dispose of core projects, APP was classified as held for sale and, accordingly, valued at the lower of fair value less cost of disposal or carrying value which resulted in impairments of US\$89.7 million and US\$3.2 million during 2013 and 2014, respectively. APP's carrying value at 31 December 2014 after the above impairments was US\$40.0 million which was based on an offer received close to the 2014 year-end. During 2015, active marketing activities for the disposal of the project continued after the 2014 offer was not realised. During 2015, APP was further impaired by US\$39.0 million, resulting in a carrying value of US\$1.0 million at 31 December 2015.

At 31 December 2016, APP no longer met the definition of an asset held for sale and was reclassified to property, plant and equipment at a recoverable amount of US\$1.0 million. During 2017, active marketing activities continued and as a result, a sale agreement was concluded. As a result, the impairment previously recorded, was reversed at up to the value of the selling price and APP was reclassified as an asset held for sale at 31 December 2017 (refer note 6). On 24 January 2018, Gold Fields concluded the sale of APP to a Finnish subsidiary of private equity fund CD Capital Natural Resources Fund III. The purchase consideration comprised US\$40.0 million cash and royalty (2% NSR (net smelter return) on all metals, with 1% capped at US\$20 million and 1% uncapped). The sale included all of the project assets for APP including the Suhanko mining licence (and associated real estate), all other mining and exploration

properties, project permits and all other projects, related assets.

APP was included as part of corporate and other in the segment note. Refer note 42 for further details.

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						31 December 2018		
31 December 2017						Mine	Land,	
Land, mineral rights and rehabilitation assets	Mine development, infrastructure and other assets ¹	Total	<i>Figures in millions unless otherwise stated</i>		Total	development, infrastructure and other assets¹	mineral rights and rehabilitation assets	
13. PROPERTY, PLANT AND EQUIPMENT								
Cost								
636.8	8,929.4	9,566.2	Balance at beginning of the year		10,560.7	9,886.4	674.3	
(22.3)	1.8	(20.5)	Reclassifications			10.4	(10.4)	
0.3			Additions for continuing operations		814.2	800.2	14.0	
	833.3	833.6	Additions for discontinued operations					
	6.8	6.8	Finance leases capitalised (refer note 33)		96.2	96.2		
	(43.2)	(43.2)	Reclassification (to)/from assets held for sale (refer note 12)					
	22.9	22.9	Borrowing costs capitalised ²		17.5	17.5		
(12.6)	(202.5)	(215.1)	Disposals		(528.7)	(494.6)	(34.1)	
(1.4)			Disposal of subsidiary (refer note 12)					
	(77.7)	(79.1)	Changes in estimates of rehabilitation assets		24.1		24.1	
8.3		8.3	Translation adjustment		(707.7)	(653.8)	(53.9)	
65.2	415.6	480.8	Balance at end of the year		10,276.3	9,662.3	614.0	
674.3	9,886.4	10,560.7	Accumulated depreciation and impairment					
			Balance at beginning of the year		5,667.8	5,633.1	34.7	
26.8	5,014.8	5,041.6						

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	(20.5)	(20.5)	Reclassifications			
15.7			Charge for the year continuing operations	668.4	658.3	10.1
0.2	732.4	748.1	Charge for the year discontinued operations			
(2.9)	3.3	3.5	Impairment and reversal of impairment, net ³	411.7	411.7	
	(78.4)	(81.3)	Write-off of exploration and evaluation assets continuing operations ⁴	37.7	37.7	
	51.5	51.5	Write-off of exploration and evaluation assets discontinued operations ⁴			
	1.5	1.5	Reclassification (to)/from assets held for sale (refer note 12)			
(12.2)	(3.2)	(3.2)	Disposals	(398.2)	(391.6)	(6.6)
(1.3)	(200.9)	(213.1)	Disposal of subsidiary (refer note 12)			
8.4	(74.5)	(75.8)	Translation adjustment	(370.3)	(367.6)	(2.7)
34.7	207.1	215.5	Balance at end of the year	6,017.1	5,981.6	35.5
639.6	5,633.1	5,667.8	Carrying value at end of the year⁵	4,259.2	3,680.7	578.5
	4,253.3	4,892.9				

¹Included in the cost of mine development, infrastructure and other assets are exploration and evaluation assets amounting to US\$12.6 million (2017: US\$10.8 million).

²Borrowing costs of US\$17.5 million (2017: US\$22.9 million) arising on Group general borrowings were capitalised during the period and comprised US\$nil (2017: US\$19.4 million) borrowing costs related to the qualifying projects at South Deep, US\$9.9 million (2017: US\$2.1 million) borrowing costs related to the Damang reinvestment project and US\$7.6 million (2017: US\$1.4 million) borrowings costs related to the Gruyere project. An average interest capitalisation rate of 5.9% (2017: 5.3%) was applied. During 2018, the capitalisation of borrowing costs ceased at South Deep as no new mine development was conducted or is planned for the foreseeable future at South of Wrench.

³The impairment of US\$411.7 million (2017: impairment reversal of US\$81.3 million) is made up of US\$1.9 million (2017: US\$11.1 million) impairment of property, plant and equipment, US\$409.8 million (2017: US\$nil) impairment of the South Deep cash-generating unit, offset by the reversal of impairment amounting to US\$nil (2017: APP reversal of impairment of US\$39.0 million (refer note 6 and note 12.2 for further details) and the reversal of the Cerro Corona cash-generating unit impairment of US\$53.4 million (refer note 6 for further details)).

⁴The write-off of exploration and evaluation assets is due to specific exploration programmes not yielding results to warrant further exploration at the Group's Australian operations and the US\$37.7 million (2017: US\$51.5 million) for continuing operations is included in the US\$104.2 million (2017: US\$109.8 million) Exploration expense in the consolidated income statement.

⁵At 31 December 2017, fleet assets and carbon in leach (CIL) plant in Ghana amounting to US\$183.6 million were pledged as security for the US\$100 million senior secured revolving credit facility (US\$100 million facility). On 22 March 2018, the Borrowers, the Original Lender and the Security Agent of the US\$100 million facility entered into an Agreement and Restatement Agreement to release any and all security interests created in favour of the Security Agent (refer note 24 for further details).

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for the year ended 31 December

United States Dollar

	2018	2017
<i>Figures in millions unless otherwise stated</i>		
14. GOODWILL		
Balance at beginning of the year	76.6	317.8
Impairment	(71.7)	(277.8)
Translation adjustment	(4.9)	36.6
Balance at end of the year		76.6

The goodwill arose on the acquisition of South Deep and was attributable to the upside potential of the asset, synergies, deferred tax and the gold multiple.

The total goodwill is allocated to South Deep, the cash-generating unit (CGU) where it is tested for impairment. For the year ended 31 December 2018, the Group fully impaired the remaining South Deep goodwill balance by recognising an impairment of R963.9 million (US\$71.7 million) (2017: R3,495.0 million (US\$277.8 million)) at South Deep (refer note 6 for further details).

In line with the accounting policy, the recoverable amount was determined with reference to fair value less costs of disposal (FVL COD). Management's estimates and assumptions used in the 31 December 2018 FVL COD calculation include:

Long-term gold price of R525,000 per kilogram (US\$1,200 per ounce) for 2019 and R550,000 (US\$1,300 per ounce) for the life-of-mine of 75 years (2017: R525,000 per kilogram (US\$1,300 per ounce) for the life-of-mine of 78 years);

A nominal discount rate of 13.5% (2017: 13.5%);

Fair value of US\$17.0 per resource ounce (2017: US\$17.0 per resource ounce), used for resource with infrastructure to calculate the expected cash flows associated with value beyond proved and probable reserves;

Resource ounces of 24.5 million ounces (2017: 29.0 million ounces); and

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The annual life-of-mine plan takes into account the following:

Proved and probable ore reserves of South Deep;

Cash flows are based on the life-of-mine plan which exceeds a period of five years; and

Capital expenditure estimates over the life-of-mine plan.

Refer accounting policies on page 162 for further discussion on the significant judgements and estimates associated with assessing the carrying value of property, plant and equipment and goodwill.

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15. ACQUISITION OF ASANKO GOLD

Background

On 29 March 2018, Gold Fields entered into certain definitive agreements (the *JV Transaction*) with Asanko Gold Inc. (*Asanko*) pursuant to which:

Gold Fields and Asanko would each own a 45% interest in Asanko Gold Ghana Limited (*AGGL*), the Asanko subsidiary that currently owns the Asanko Gold Mine, with the Government of Ghana continuing to retain a 10% free carried interest in AGGL (the *Joint Arrangement*);

Gold Fields and Asanko would each own a 50% interest in Adansi Gold Company Limited (*Adansi*), the Asanko subsidiary that currently owns a number of exploration licences; and

Gold Fields and Asanko would each acquire a 50% interest in the newly formed financing entity (*Shika Group Finance Limited*).

On 20 June 2018, Gold Fields and Asanko received approval of the *JV Transaction* from the Ghanaian Minister of Lands and Natural Resources and the *JV Transaction* closed on 31 July 2018 once all conditions precedent were met.

Recognition and measurement

Gold Fields and Asanko have joint control and the Asanko transaction is structured as a separate vehicle and the Group has a residual interest in the net assets of Asanko. Accordingly, the Group has classified its interest in Asanko as a joint venture.

Fair value measured on a provisional basis

The fair value of identifiable net assets acquired has been performed on a provisional basis, using the acquisition life-of-mine model, pending completion of review and sign off of the life-of-mine model, including the Reserves and Resources, by the Group Competent Person. Any changes to the acquisition life of mine model and/or Reserves and Resources could result in a material change to the cash flows used to determine the fair value of the identifiable net assets acquired.

If new information is obtained, within one year from the date of acquisition, about facts and circumstances that existed at the date of acquisition about the life-of-mine and adjustments are required to be made to the provisional fair values of the identifiable net assets or if any additional provisions that existed at the date of acquisition are identified, then the accounting for the acquisition will be revised.

Consideration transferred

The following table summarises the acquisition date fair value of the consideration transferred:

	United States Dollar
<i>Figures in millions unless otherwise stated</i>	2018
Cash Asanko redeemable preference shares and equity	165.0
Total consideration transferred	165.0

Gain on acquisition of Asanko

The gain on acquisition was determined as follows:

	United States Dollar
<i>Figures in millions unless otherwise stated</i>	2018
Total fair value of assets acquired	216.8
Redeemable preference shares equity financial asset acquired ¹	129.9
Fair value of identifiable net assets acquired ²	86.9
Consideration transferred	(165.0)
Gain on acquisition³	51.8

¹ The redeemable preference shares have the following conditions:
Redeemable at the option of the issuer at par value; and
Non-interest bearing.

The redeemable preference shares were recognised as an investment in an equity financial instrument measured at fair value. The key assumptions used to determine the fair value of the redeemable preference shares of US\$129.9 million at acquisition were as follows:

Par value of the preference shares	US\$165.0 million
Market-related interest rate	7.85%
Expected redemption period 2020 to 2023	5 years

² The key assumptions used to determine the fair value of the net identifiable assets acquired were as follows:

US\$ gold price 2018 to 2019	US\$1,200/oz
US\$ gold price 2020 onwards	US\$1,300/oz
Discount rate	10.27%
Life-of-mine 2019 to 2030	12 years

- ³ *The excess of the fair value of the identifiable net assets acquired over the consideration is recognised immediately in profit or loss as a gain on acquisition. The injection of capital into Asanko Gold mine for an equity stake represented a favourable deal for Gold Fields, as Asanko needed to refinance the debt of Asanko Gold mine, resulting in a gain on acquisition.*

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for the year ended 31 December

		United States Dollar		
		2018	2017	2016
<i>Figures in millions unless otherwise stated</i>				
16.1	EQUITY ACCOUNTED INVESTEEES			
	Investment in joint ventures	177.5	128.6	
(a)	Far Southeast Gold Resources Incorporated (FSE)	91.7	128.6	
(b)	Asanko Gold	85.8		
	Investment in associates	47.6	42.7	
(c)	Maverix Metals Incorporated (Maverix)	47.6	42.7	
(d)	Other associates			
	Total equity accounted investees	225.1	171.3	
	Share of results of equity accounted investees, net of taxation recognised in the consolidated income statement are made up as follows:			
(a)	FSE	(12.9)	(1.6)	(2.3)
(b)	Asanko Gold	(1.1)		
(c)	Maverix	0.9	0.3	
(d)	Other associates			
	Total share of results of equity investees net of tax	(13.1)	(1.3)	(2.3)

(a) FSE

Gold Fields' interest in FSE, an unlisted entity incorporated in the Philippines, was 40% (2017: 40% and 2016: 40%) at 31 December 2018.

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Gold Fields paid US\$10.0 million in option fees to Lepanto Consolidated Mining Company (Lepanto) during the six months ended 31 December 2010. In addition, Gold Fields paid non-refundable down payments of US\$66.0 million during the year ended 31 December 2011 and US\$44.0 million during the six months ended 31 December 2010 to Liberty Express Assets in accordance with the agreement concluded, whereby the Group has the option to acquire 60% of FSE. On 31 March 2012, Gold Fields acquired 40% of the issued stated capital and voting rights of FSE by contributing an additional non-refundable down payment of US\$110.0 million. Lepanto owns the remaining 60% shareholding in FSE.

The remaining 20% option is not currently exercisable until such time as FSE obtains a Foreign Technical Assistance Agreement (FTAA) which allows for direct majority foreign ownership and control.

FSE has a 31 December year-end and has been equity accounted since 1 April 2012. FSE's equity accounting is based on results to 31 December 2018.

Investment in joint venture consists of:

	United States Dollar	
	2018	2017
<i>Figures in millions unless otherwise stated</i>		
Unlisted shares at cost	230.0	230.0
Equity contribution	92.2	79.3
Cumulative impairment ¹	(138.3)	(101.4)
Share of accumulated losses brought forward	(79.3)	(77.7)
Share of loss after taxation ²	(12.9)	(1.6)
Total investment in joint venture³	91.7	128.6

¹ Refer note 6 for details of impairment.

² Gold Fields' share of loss after taxation represents exploration and other costs, including work completed on a scoping study, which is fully funded by Gold Fields as part of their equity contribution.

³ FSE is a company incorporated under the laws of the Philippines and owns the gold-copper Far Southeast exploration project (the FSE project). During the exploration phase of the FSE project and as long as the 20% option remains exercisable, the Group has joint control over the FSE project. The Group will only have the power to direct the activities of FSE once it exercises the option to acquire the additional 20% shareholding in FSE, which is only exercisable once an FTAA is obtained. FSE has no revenues or significant assets or liabilities. Assets included in FSE represent the rights to explore and eventually mine the FSE project.

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **173****16.1 EQUITY ACCOUNTED INVESTEES** (continued)**(b) Asanko Gold**

The Asanko Gold joint venture entities comprise the following:

A 45% interest in Asanko Gold Ghana Limited (AGGL), incorporated in Ghana, which owns the Asanko Gold Mine. The Government of Ghana continues to retain a 10% free carried interest in AGGL;

A 50% interest in Adansi Gold Company Limited (Adansi), incorporated in Ghana; and

A 50% interest in Shika Group Finance Limited (Shika), incorporated in the Isle of Man.

Refer to note 15 for further information on the acquisition of this investment.

Asanko has a 31 December year-end and has been equity accounted since 31 July 2018. Asanko's equity accounting is based on results to 31 December 2018.

The Asanko joint venture is structured through a number of separate vehicles and the Group has a residual interest in the net assets of Asanko. Accordingly, the Group has classified its interest in Asanko as a joint venture.

The following table summarises the financial information and the carrying amount of the Group's interest in Asanko:

	United States Dollar
<i>Figures in millions unless otherwise stated</i>	2018
Investment in joint venture at cost consists of:	
Initial investment at cost	86.9
Share of loss after taxation	(1.1)
Carrying value at 31 December 2018	85.8
The investment comprises the following:	
	Percentage ownership interest
<i>Figures in millions unless otherwise stated</i>	Carrying value

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AGGL	5.4	45.0%
Shika	80.4	50.0%
Adansi ¹		50.0%
Total	85.8	

¹ Nominal value at 31 December 2018 is less than US\$0.1 million.

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for the year ended 31 December

16.1 EQUITY ACCOUNTED INVESTEES (continued)**(b) Asanko Gold** (continued)

The Group's interest in the summarised financial statements of Asanko on a combined basis is as follows:

	United States Dollar
	2018
<i>Figures in millions unless otherwise stated</i>	
Statement of financial position – Asanko	
Non-current assets	481.2
Current assets ¹	109.3
Non-current liabilities	(34.2)
Current liabilities	(52.7)
Net assets	503.6
<i>Less: Provisional purchase price allocation – fair value adjustment</i>	<i>(39.6)</i>
<i>Less: Shika redeemable preference shares</i>	<i>(291.4)</i>
Net assets attributable to ordinary shareholders	172.6
Group's share of net assets	85.8
Reconciled as follows:	
Cash consideration paid	165.0
<i>Less: consideration allocated to the redeemable preference shares (note 17)</i>	<i>(129.9)</i>
Consideration paid for equity portion	35.1
Gain on acquisition	51.8
Share of loss after taxation	(1.1)
Carrying amount of interest in joint venture	85.8
Income statement – Asanko	
Revenue	122.0

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Production costs	(79.0)
Depreciation and amortisation	(34.3)
Other expenses	(4.9)
Royalties	(6.2)
Income tax expense	
Loss for the five-month period	(2.4)
OCI	
Total comprehensive income	(2.4)
Group's share of total comprehensive income	(1.1)

¹ Current assets includes cash and cash equivalents of US\$21.6 million.

² Relates to a fair value adjustment to property, plant and equipment of the Asanko Gold mine as determined at acquisition.

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Gold Fields' interest in Maverix, listed on the Toronto Stock Exchange, was 19.9% (2017: 27.9%) at 31 December 2018. Gold Fields owns an additional 10.0 million common share purchase warrants (refer note 17) that are currently exercisable. After inclusion of the warrants, Gold Fields owns 20.5% in Maverix on a diluted basis.

On 23 December 2016, Gold Fields sold a portfolio of 11 producing and non-producing royalties to Maverix in exchange for 42.85 million common shares and 10.0 million common share purchase warrants of Maverix, realising a profit on disposal of US\$48.0 million. The warrants are classified as derivative instruments and are included in investments (refer note 17).

During the year, Maverix purchased a portfolio of royalties from Newmont (the Transaction). As part of the consideration for the Transaction, Maverix issued Newmont 60,000,000 common shares and 10,000,000 common share purchase warrants. The Transaction resulted in the dilution of Gold Fields' interest in Maverix from 28% to 20% at 31 December 2018. Gold Fields was required to fair value its diluted investment in Maverix. The Transaction resulted in Gold Fields recognising a profit on the deemed disposal of its interest in Maverix of US\$4.0 million.

Maverix has a 31 December year-end and has been equity accounted since 23 December 2016. Equity accounting for Maverix is based on the latest available published results to 30 September 2018.

Investment in associate consists of:

United States Dollar

Figures in millions unless otherwise stated

	2018	2017
Listed shares at cost	42.1	42.1
Profit on dilution of Gold Fields' interest in Maverix	4.0	
Transaction costs capitalised	0.3	0.3
Share of accumulated profits brought forward	0.3	
Share of profit after taxation	0.9	0.3

	Investment in associate	Maverik	47.6	42.7
(d)	Other			
	Investment in associate			
	Rusoro Mining Limited (Rusoró)			

¹ The fair value, based on the quoted market price of the investment, in Maverik at 31 December 2018 is US\$74.7 million (2017: US\$57.2 million).

² Represents a holding of 25.7% (2017: 25.7%) in Rusoro.

The carrying value of Rusoro, incorporated in Venezuela, was written down to US\$nil at 31 December 2010 due to losses incurred by the entity. The fair value, based on the quoted market price of the investment, in Rusoro at 31 December 2018 is US\$13.4 million (2017: US\$7.7 million). The unrecognised share of loss of Rusoro for the year amounted to US\$2.6 million (2017: unrecognised shares of loss of US\$2.0 million). The cumulative unrecognised share of losses of Rusoro at 31 December 2018 amounted to US\$198.6 million (2017: US\$196.0 million).

On 22 August 2016, the Arbitration Tribunal, operating under the Additional Facility Rules of the World Bank's International Centre for the Settlement of Investment Disputes, awarded Rusoro damages of US\$967.8 million plus pre and post-award interest which currently equates to in excess of US\$1.2 billion in the arbitration brought by Rusoro against the Bolivarian Republic of Venezuela (Venezuela).

Venezuela has not complied with the arbitration award terms, which were issued on 22 August 2016. On 6 December 2017, Rusoro obtained a judgement against Venezuela in the Superior Court of Justice in Ontario, Canada, in excess of US\$1.3 billion. The judgment, which was issued on default as a result of Venezuela's failure to appear before the Ontario court, arose out of Rusoro's ongoing dispute with Venezuela over the South American nation's seizure of its gold mining properties in the country. The Canadian judgement, which confirmed an arbitration award issued in Rusoro's favour in the same amount, was issued on 25 April 2017. Venezuela did not appeal or seek to vacate the judgement, and its time to do so expired.

Rusoro further filed a suit in the Supreme Court of the State of New York, seeking recognition of the Canadian judgement. Rusoro brought the New York lawsuit in addition to an action it filed in the U.S. District Court for the District of Columbia, which seeks recognition of and the entry of judgment on the original arbitration award. A favourable ruling from either the New York or D.C. court will entitle Rusoro to use all legal procedures including broad discovery from both Venezuela and third parties that U.S. law provides judgment creditors. Any judgment issued in New York will also accrue interest at 9% per annum until the judgment is fully paid. On 19 October 2018, Rusoro announced that it had reached a settlement agreement with Venezuela by which the Venezuela government agreed to pay Rusoro US\$1.28 billion to acquire the company's mining data and full release of the judgment issued in favour of the company. In a decision dated 29 January 2019, the Paris Court of Appeals partially annulled the arbitral award issued in favour of the Company in August 2016. Rusoro intends to vigorously pursue all available remedies to reinstate such award.

Management has not recognised this amount due to the uncertainty over its recoverability.

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16.2 INTEREST IN JOINT OPERATION

On 13 December 2016, Gold Fields purchased 50% of the Gruyere Gold project and entered into a 50:50 unincorporated joint operation with Gold Road Resources Limited (Gold Road) for the development and operation of the Gruyere Gold project in Western Australia, which comprises the Gruyere gold deposit as well as additional resources including Central Bore and Attila/Alaric.

Gold Fields acquired a 50% interest in the Gruyere Gold project for a total purchase consideration of A\$350.0 million payable in cash and a 1.5% royalty on Gold Fields' share of production after total mine production exceeds 2 million ounces. The cash consideration is split with A\$250.0 million payable on the effective date and A\$100.0 million payable according to an agreed construction cash call schedule. Transaction costs of A\$18.5 million (US\$13.3 million) were incurred. Of the A\$100.0 million payable, A\$7.0 million was paid in 2016, A\$78.0 million in 2017 and A\$15.0 million in 2018.

Below is a summary of Gold Fields' share of the joint operation and includes inter-company transactions and balances:

<i>Figures in millions unless otherwise stated</i>	2018		2017	
	US\$	A\$	US\$	A\$
Statement of financial position				
Non-current assets				
Property, plant and equipment	554.6	788.6	374.9	485.7
Current assets	11.7	16.5	7.2	9.3
Cash and cash equivalents	2.1	3.0	5.3	6.8
Inventories	0.8	1.1		
Prepayments	6.4	9.1	1.9	2.5
Other receivables	2.4	3.3		
Total assets	566.3	805.1	382.1	495.0
Total equity				

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Retained earnings	(4.7)	(6.7)	(2.3)	(2.9)
Non-current liabilities	119.7	170.3	11.8	15.2
Deferred taxation	30.5	43.3	4.2	5.4
Finance lease liability	76.5	108.8		
Environmental rehabilitation costs	12.7	18.2		
Long-term incentive plan			7.6	9.8
Current liabilities	451.3	641.5	372.6	482.7
Related entity loans payable	439.0	624.1	347.3	449.9
Trade and other payables	7.7	10.9	14.1	18.3
Deferred consideration			11.2	14.5
Current portion of finance lease liability	4.6	6.5		
Total equity and liabilities	566.3	805.1	382.1	495.0

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		United States Dollar	
		2018	2017
<i>Figures in millions unless otherwise stated</i>			
17. INVESTMENTS			
	Listed		
	At fair value through OCI (2017: available for sale financial assets)	93.0	99.0
	Unlisted		
	Asanko redeemable preference shares ¹	132.9	
	Other	0.1	0.1
	Derivative instruments		
	Warrants ²	9.3	5.5
	Total investments³	235.3	104.6
18. ENVIRONMENTAL TRUST FUNDS			
	Balance at beginning of the year	55.5	44.5
	Contributions from continuing operations	7.7	8.6
	Interest earned	0.6	0.5
	Translation adjustment	(3.0)	1.9
	Balance at end of the year	60.8	55.5
	The trust funds consist of term deposits and equity-linked deposits amounting to US\$8.3 million (2017: US\$8.6 million) and US\$6.5 million (2017: US\$7.3 million), respectively, in South Africa, as well as secured cash deposits amounting to US\$46.0 million (2017: US\$39.6 million) in Ghana.		
	These funds are intended to fund environmental rehabilitation obligations of the Group's South African and Ghanaian mines and are not available for general purposes of the Group. All income earned in these funds is reinvested or spent to meet these obligations. The funds are invested in money market and fixed deposits. The obligations which these funds are intended to fund are included in environmental rehabilitation costs under long-term provisions (refer note 25.1). Refer to note 34 for details on environmental obligation guarantees.		
19. INVENTORIES			
	Gold-in-process and stockpiles	325.0	305.4

Consumable stores	176.5	220.9
Total inventories	501.5	526.3
Heap leach and stockpiles inventories included in non-current assets ⁴	(133.3)	(132.8)
Total current inventories⁵	368.2	393.5

¹ Consists of 164,939,999 redeemable preference shares at par value for US\$164,939,999.

The following table shows a reconciliation from the fair value at acquisition to the fair value of the redeemable preference shares at the end of the year (level 3 financial instrument):

Fair value at acquisition	129.9
Net change in fair value (recognised in OCI)	3.0
Fair value at end of the year	132.9

The fair value is based on the expected cash flows of the Asanko Gold mine based on the life-of-mine model.

The following key inputs were used in the valuation of the fair value:

Par value of the preference shares	US\$165.0 million
Market-related interest rate	7.85%
Expected redemption period	5 years

Any reasonable change in the timing of the cash flows or market-related discount rate could materially change the fair value of the redeemable preference shares (refer note 38 for sensitivity analysis performed).

Refer to notes 15 and 16.1 (b) for further details.

² Consists of 10.0 million common share purchase warrants of Maverix. Refer note 16.1 (c) for further details.

³ With the adoption of IFRS 9, all listed investments were reclassified from available-for-sale financial assets to financial assets designated at fair value through OCI. Refer note 43 for details of major investments.

⁴ Heap leach and stockpiles inventories will only be processed at the end of life-of-mine.

⁵ The cost of consumable stores consumed during the year and included in cost of sales amounted to US\$280.0 million (2017: US\$346.7 million).

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for the year ended 31 December

		United States Dollar	
		2018	2017
<i>Figures in millions unless otherwise stated</i>			
20.	TRADE AND OTHER RECEIVABLES		
	Trade receivables – gold sales and copper concentrate	23.4	46.6
	Trade receivables – other	23.0	15.6
	Gold, copper and oil derivative contracts ¹	8.3	25.0
	Receivables due from the sale of Tarkwa mining fleet ²	26.5	
	Deposits	0.2	0.1
	Payroll receivables	2.9	11.6
	Prepayments	43.3	51.5
	Value added tax and import duties	18.1	45.9
	Diesel rebate	1.1	1.4
	Other	6.4	4.2
	Total trade and other receivables	153.2	201.9
21.	CASH AND CASH EQUIVALENTS		
	Cash at bank and on hand	399.7	479.0
	Total cash and cash equivalents	399.7	479.0
22.	STATED CAPITAL		
	Stated capital	3,622.5	3,622.5
		3,622.5	3,622.5
		Number of	Number of
		shares in	shares in
		issue	issue
	In issue at 1 January ³	821,532,707	821,525,435
	Exercise of employee share options		7,272
	In issue at 31 December	821,532,707	821,532,707
	Authorised	2,000,000,000	2,000,000,000
	Authorised and issued		

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As approved by shareholders at the Annual General Meeting (AGM) on 24 May 2017, the 1,000,000,000 authorised shares of the Company at the time having a par value of 50 cents each were converted into 1,000,000,000 ordinary no par value shares. Furthermore, subsequent to the conversion to no par value shares, in terms of Section 36(2)(a) of the South African Companies Act, the 1,000,000,000 ordinary no par value shares were increased to 2,000,000,000 ordinary no par value shares.

Holders of the shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

In terms of the general authority granted by shareholders at the AGM on 22 May 2018, the authorised but unissued ordinary stated capital of the Company representing not more than 5% of the issued stated capital of the Company from time to time at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the share incentive schemes, was placed under the control of the directors. This authority expires at the next AGM where shareholders will be asked to place under the control of the directors the authorised but unissued ordinary stated capital of the Company representing not more than 5% of the issued stated capital of the Company from time to time.

In terms of the JSE Listings Requirements, shareholders may, subject to certain conditions, authorise the directors to issue the shares held under their control for cash, other than by means of a rights offer, to shareholders. In order that the directors of the Company may be placed in a position to take advantage of favourable circumstances which may arise for the issue of such shares for cash, without restriction, for the benefit of the Company, shareholders will be asked to consider a special ordinary resolution to this effect at the forthcoming AGM.

¹ *Comprises US\$1.7 million (2017: US\$5.1 million) relating to Australian oil derivative contracts, US\$3.0 million (2017: US\$9.0 million) relating to Ghanaian oil derivative contracts, US\$2.4 million (2017: US\$nil) relating to Ghanaian gold derivative contracts, US\$nil million (2017: US\$10.9 million) relating to gold derivative contracts at South Deep and US\$1.2 million (US\$nil) relating to Peruvian copper derivative contracts. Refer note 38 for further details.*

² *Relates to the sale of mining fleet at Tarkwa as part of the transition to contractor mining.*

³ *The total number of ordinary shares in issue per the consolidated financial statements has been adjusted by 918,490 shares to aligned with the statutory records of the company. No impact on stated capital, earnings, diluted earnings and headline earnings per share.*

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The Company has not exercised the general authority granted to buy back shares from its issued ordinary stated capital granted at the AGM held on 22 May 2018. Currently, the number of ordinary shares that may be bought back in any one financial year may not exceed 20% of the issued ordinary share capital as of 22 May 2018. At the next AGM, shareholders will be asked to renew the general authority for the acquisition by the Company, or a subsidiary of the Company, of its own shares.

Beneficial shareholding

The following beneficial shareholders hold 5% or more of the Company's listed ordinary shares at 31 December 2018:

	Number of shares	% of issued ordinary shares
Government Employees Pension Fund	60,064,445	7.31%
VanEck Vectors Gold Miners ETF	58,229,560	7.09%
Market Vectors Junior Gold Mines ETF	47,680,319	5.80%

23. DEFERRED TAXATION

The detailed components of the net deferred taxation liability which results from the differences between the carrying amounts of assets and liabilities recognised for financial reporting and taxation purposes in different accounting periods are:

United States Dollar

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Figures in millions unless otherwise stated

	2018	2017
Liabilities		
Mining assets	835.7	1,014.1
Investment in environmental trust funds	3.2	3.4
Inventories	11.3	12.1
Unremitted earnings	9.3	9.1
Other	5.2	12.6
Liabilities	864.7	1,051.3
Assets		
Provisions	(95.8)	(108.4)
Tax losses	(98.4)	(69.1)
Unredeemed capital expenditure	(475.9)	(491.9)
Finance lease liability	(2.0)	
Other	(7.2)	
Assets	(679.3)	(669.4)
Net deferred taxation liabilities	185.4	381.9
Included in the statement of financial position as follows:		
Deferred taxation assets	(269.5)	(72.0)
Deferred taxation liabilities	454.9	453.9
Net deferred taxation liabilities	185.4	381.9
Balance at beginning of the year	381.9	409.9
Recognised in profit or loss – continuing operations	(211.6)	(31.5)
Recognised in profit or loss – discontinued operations		3.4
Recognised in OCI	(4.0)	
Translation adjustment	19.1	0.1
Balance at end of the year	185.4	381.9

¹Tax losses and unredeemed capital expenditure have been recognised, as disclosed in note 9, to the extent that the tax paying entities will have taxable profits in the foreseeable future (per the life-of-mine models of the respective operations) in order to utilise the unused tax losses and unredeemed capital expenditure before they expire. This was particularly assessed with reference to the South Deep and Damang life-of-mine models.

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for the year ended 31 December

24. BORROWINGS

The terms and conditions of outstanding loans are as follows:

		United States Dollar			Commitment	Maturity	
		2018	2017	Borrower	Nominal interest rate	fee	date
Notes							
Notes unless otherwise stated							
Notes issue (the notes) ¹	(a)	849.4	847.9	Orogen	4.875%		7 October 2020
Revolving senior secured credit facility	(b)			La Cima	LIBOR plus 1.63%	0.65%	19 December 2017
Revolving senior secured credit facility	(c)	83.5	83.5	La Cima	LIBOR plus 1.20%	0.50%	19 September 2020
Revolving senior secured credit facility	(d)			Ghana	LIBOR plus 2.40%	1.00%	6 May 2017
Revolving senior secured credit facility	(e)	45.0	45.0	Ghana	LIBOR plus 3.50%	1.40%	30 November 2021
Indicated revolving credit facility	(f)	316.5	231.5	Gruyere	BBSY plus 2.35%	0.94%	24 May 2021
Term loan and revolving credit facility	(g)	583.0	380.0				
(380 million)		380.0	380.0	Orogen	LIBOR plus 2.25%		6 June 2020
(360 million)		203.0		Orogen	LIBOR plus 1.95%	0.77%	6 June 2021
(550 million)				Orogen	LIBOR plus 2.20%	0.86%	6 June 2021
Revolving credit facility							
Revolving credit facility	(h)		79.5	GFIJVH/GFO	JIBAR plus 2.50%	0.85%	7 March 2018
Revolving credit facility				GFIJVH/GFO	JIBAR plus 2.80%	0.90%	8 May 2023

Standard Bank revolving	(i)	13.7		GFIJVH/GFO	JIBAR plus 2.75%	1.05%	31 March 2020
Standard Bank revolving credit	(j)	34.2		GFIJVH/GFO	JIBAR plus 2.55%	0.893%	31 March 2020
Uncommitted credit	(k)	86.3	114.1				
		2,011.6	1,781.5				
		(86.3)	(193.6)				
		1,925.3	1,587.9				

- ¹ The balance is net of unamortised transaction costs amounting to US\$3.0 million (2017: US\$4.5 million) which will unwind over the remaining period of the notes as an interest expense. The payment of all amounts due in respect of the notes is unconditionally and irrevocably guaranteed by Gold Fields Limited (Gold Fields), Gold Fields Operations Limited (GFO) and Gold Fields Holdings Company (BVI) Limited (GF Holdings) (collectively the Guarantors) on a joint and several basis. The notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively. Gold Fields Australasia (BVI) Limited (GFA) offered and accepted the purchase of an aggregate principal amount of notes equal to US\$147.6 million at the purchase price of US\$880 per US\$1,000 in principal amount of notes. GFA intends to hold the notes acquired until their maturity on 7 October 2020. The purchase of the notes amounting to US\$147.6 million was financed by drawing down under the US\$1,510 million term loan and revolving credit facilities (these facilities were cancelled and refinanced through the US\$1,290 million term loan and revolving credit facility on 6 June 2017). The Group recognised a profit of US\$17.7 million on the buy back of the notes.
- ² Borrowings under the revolving senior secured credit facility are secured by first-ranking assignments of all rights, title and interest in all of La Cima's concentrate sale agreements. In addition, the offshore and onshore collection accounts of La Cima are subject to an account control agreement and a first-ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Group. The old revolving senior secured credit facility matured in 2017 and was refinanced through the new revolving credit facility on 22 September 2017.
- ³ Borrowings under the facility are guaranteed by Gold Fields Ghana Limited (GF Ghana Limited) and Abooso Goldfields Limited (Abooso). Borrowings under this facility are also secured by the registration of security over certain fleet vehicles owned by GF Ghana and Abooso (Secured Assets). In addition, the lenders are noted as first loss payees under the insurance contracts in respect of the Secured Assets and are assigned the rights under the maintenance contracts between certain suppliers of the Secured Assets. This facility is non-recourse to the rest of the Group. The US\$70 million revolving senior secured credit facility matured in 2017 and was refinanced through the US\$100 million revolving senior secured credit facility on 17 July 2017. Fleet assets and CIL plant in Ghana amounting to US\$183.6 million were pledged as security for this facility at 31 December 2017. On 22 March 2018, the Borrowers, the Original Lender and the Security Agent entered into an Agreement and Restatement Agreement to release any and all security interests created in favour of the Security Agent (the Security). The effective date of the release of the Security was 22 March 2018. On 23 November 2018, GF Ghana Limited and Abooso (as Borrowers) and The Standard Bank of South Africa Limited (acting through its Isle of Man branch) (as Original Lender and Agent) entered into the Fifth Amendment and Restatement Agreement which further amended the facility agreement. The effective date of the Fifth Amendment and Restatement Agreement is 30 November 2018. The final maturity date is the date falling three years after the effective date, namely 30 November 2021.
- ⁴ Borrowings under this facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO, GFIJVH and Gold Fields Ghana Holdings (BVI) Limited (GF Ghana).

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- ⁵ *Borrowings under this facility are guaranteed by Gold Fields, GF Holdings, Orogen, GFO, GFIJVH and GF Ghana.*
- ⁶ *Borrowings under this facility are guaranteed by Gold Fields, GFO, GF Holdings, Orogen, GFIJVH, GF Ghana and Gruyere Holdings Proprietary Limited (Gruyere). The old revolving credit facility matured on 7 March 2018 and was replaced by the new revolving credit facility on 8 May 2018.*
- ⁷ *Borrowings under this facility are guaranteed by Gold Fields, GFO, GF Holdings, Orogen, GFIJVH, GF Ghana and Gruyere.*
- ⁸ *Borrowings under this facility are guaranteed by Gold Fields, GFO, GF Holdings, Orogen, GFIJVH, GF Ghana and Gruyere.*
- ⁹ *The Group utilised uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operation. These facilities have no fixed terms, are short-term in nature and interest rates are market related. Borrowings under these facilities are guaranteed by Gold Fields.*

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		United States Dollar	
		2018	2017
<i>Figures in millions unless otherwise stated</i>			
24.	BORROWINGS (continued)		
(a)	US\$1 billion notes issue		
	Balance at beginning of the year	847.9	846.4
	Unwinding of transaction costs	1.5	1.5
	Balance at end of the year	849.4	847.9
(b)	US\$150 million revolving senior secured credit facility old		
	Balance at beginning of the year		82.0
	Loans advanced		
	Repayments		(82.0)
	Balance at end of the year		
(c)	US\$150 million revolving senior secured credit facility new		
	Balance at beginning of the year	83.5	
	Loans advanced		83.5
	Balance at end of the year	83.5	83.5
(d)	US\$70 million revolving senior secured credit facility		
	Balance at beginning of the year		45.0
	Repayments		(45.0)
	Balance at end of the year		
(e)	US\$100 million revolving senior secured credit facility		
	Balance at beginning of the year	45.0	
	Loans advanced		45.0
	Balance at end of the year	45.0	45.0
(f)	A\$500 million syndicated revolving credit facility		
	Balance at beginning of the year	231.5	
	Loans advanced	119.9	236.6
	Translation adjustment	(34.9)	(5.1)
	Balance at end of the year	316.5	231.5
(g)	US\$1,290 million term loan and revolving credit facilities		
	Balance at beginning of the year	380.0	658.5

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Loans advanced	382.6	73.5
Repayments	(179.6)	(352.0)
Balance at end of the year	583.0	380.0
(h) R1,500 million Nedbank revolving credit facility		
Balance at beginning of the year	79.5	
Loans advanced	20.7	78.5
Repayments	(107.7)	
Translation adjustment	7.5	1.0
Balance at end of the year		79.5

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	United States Dollar	
	2018	2017
<i>Figures in millions unless otherwise stated</i>		
24. BORROWINGS (continued)		
(i) R500 million Standard Bank revolving credit facility		
Loans advanced	13.7	
Translation adjustment		
Balance at end of the year	13.7	
(j) R500 million Absa revolving credit facility		
Loans advanced	36.1	
Translation adjustment	(1.9)	
Balance at end of the year	34.2	
(k) Short-term Rand uncommitted credit facilities		
Balance at beginning of the year	114.1	61.0
Loans advanced	118.7	262.6
Repayments	(144.6)	(216.5)
Translation adjustment	(1.9)	7.0
Balance at end of the year	86.3	114.1
Total borrowings	2,011.6	1,781.5
The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:		
Variable rate with exposure to repricing (six months or less)	1,162.2	933.6
Fixed rate with no exposure to repricing (US\$1 billion notes issue)	849.4	847.9
	2,011.6	1,781.5
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
US Dollar	1,560.9	1,356.4
Australian Dollar	316.5	231.5
Rand	134.2	193.6
	2,011.6	1,781.5

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The Group has the following undrawn borrowing facilities:

Committed	986.7	1,305.1
Uncommitted	26.5	17.1
	1,013.2	1,322.2

All of the above undrawn committed facilities have floating rates. The uncommitted facilities have no expiry dates and are open ended. Undrawn committed facilities have the following expiry dates:

within one year		39.7
later than one year and not later than two years	93.0	
later than two years and not later than three years	791.2	715.4
later than three years and not later than five years	102.5	550.0
	986.7	1,305.1

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		United States Dollar	
		2018	2017
<i>Figures in millions unless otherwise stated</i>			
25. PROVISIONS			
25.1	Environmental rehabilitation costs	289.6	281.5
25.2	Silicosis settlement costs	25.1	31.9
25.3	Other	4.8	7.9
	Total provisions	319.5	321.3
25.1 Environmental rehabilitation costs			
	Balance at beginning of the year	281.5	283.1
	Changes in estimates – continuing operations	23.2	(5.4)
	Changes in estimates – discontinued operations		
	Interest expense – continuing operations	11.7	12.1
	Interest expense – discontinued operations		0.2
	Payments	(9.6)	(8.1)
	Disposal of subsidiary		(12.9)
	Translation adjustment	(17.2)	12.5
	Balance at end of the year²	289.6	281.5
	The provision is calculated using the following gross closure cost estimates:		
	South Africa	41.8	41.8
	Ghana	100.4	98.1
	Australia	178.2	179.2
	Peru	79.1	61.9
	Chile	0.4	
	Total gross closure cost estimates	399.9	381.0
		Inflation rate	Discount rate
	The provision is calculated using the following assumptions:		
	2018		
	South Africa	5.5%	10.0%
	Ghana	2.2%	10.3%

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Australia	2.5%	2.3%	2.5%
Peru	2.2%		4.2%
Chile	2.2%		3.6%
2017			
South Africa	5.5%		9.8%
Ghana	2.2%	9.2%	9.3%
Australia	2.5%	2.6%	2.9%
Peru	2.2%		3.8%

¹ Changes in estimates are defined as changes in reserves and corresponding changes ~~life-of-mine~~ as well as changes in laws and regulations governing environmental matters, closure cost estimates and discount rates.

² South African, Ghanaian, Australian and Peruvian mining companies are required by law to undertake rehabilitation as part of their ongoing operations. These environmental rehabilitation costs are funded as follows:

Ghana reclamation bonds underwritten by banks and restricted cash (refer note 18);

South Africa contributions into environmental trust funds (refer note 18) and guarantees (refer note 34);

Australia mine rehabilitation fund levy; and

Peru bank guarantees.

Refer to note 38 for expected timing of cash outflows in respect of the gross closure cost estimates. Certain current rehabilitation costs are charged to this provision as and when incurred.

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

United States Dollar

<i>Figures in millions unless otherwise stated</i>		2018	2017
25. PROVISIONS	(continued)		
25.2 Silicosis settlement costs¹			
	Balance at beginning of the year	31.9	
	Changes in estimates	(4.5)	30.2
	Unwinding of provision recognised as finance expense	2.0	0.9
	Translation	(4.3)	0.8
	Balance at end of the year	25.1	31.9
26. LONG-TERM INCENTIVE PLAN			
	Opening balance	18.1	23.6
	Charge to income statement – continuing operations	1.1	5.0
	Charge to income statement – discontinued operations		0.1
	Payments	(17.8)	(11.5)
	Translation adjustment	0.7	0.9
	Balance at end of the year²	2.1	18.1
	Current portion of long-term incentive plan		(18.1)
	Non-current portion of long-term incentive plan	2.1	

¹The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure to silica dust, noise, heat and certain hazardous chemicals. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD)) as well as noise induced hearing loss (NIHL).

A consolidated application was brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application.

This matter was previously disclosed as a contingent liability as the amount could not be estimated reliably. As a result of the ongoing work of the Working Group and engagements with affected stakeholders since 31 December 2016, Gold Fields was able to reliably estimate its share in the estimated cost in relation to the Working Group of a possible settlement of the class action claims and related costs during 2017. As a result, Gold Fields provided an amount of US\$25.1 million (R367.8 million) (2017: US\$31.9 million (R401.6 million)) for this obligation in the statement of financial position at 31 December 2018. The nominal amount of this provision is US\$34.7 million (R507.0 million). Gold Fields believes that this remains a reasonable estimate of its share of the settlement of the class action claims and related costs.

The assumptions that were made in the determination of the provision include silicosis prevalence rates, estimated settlement per claimant, benefit take-up rates and disease progression rates. A discount rate of 8.74% (2017: 8.24%) was used, based on government bonds with similar terms to the anticipated settlements.

Refer note 35 for further details.

² *On 1 March 2014, the Remuneration Committee approved the Gold Fields Limited Long-Term Incentive Plan (LTIP). The plan provided for executive directors, certain officers and employees to receive a cash award conditional on the achievement of specified performance conditions relating to total shareholder return and free cash flow margin. The conditions were assessed over the performance cycle which runs over three calendar years. The expected timing of the cash outflows in respect of each grant was at the end of three years after the original award was made. The last award under this plan was made in 2015.*

From 2018 onwards, Executive Committee members (including regional Executive Committee members) receive awards under the Gold Fields Limited 2012 Share Plan amended, while senior and middle management receive awards under the revised LTIP. The performance conditions of the revised LTIP are approved annually by the Remuneration Committee. The expected timing of the cash outflows in respect of each grant is at the end of three years, after the original award was made.

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		United States Dollar		
		2018	2017	2016
<i>Figures in millions unless otherwise stated</i>				
27.	TRADE AND OTHER PAYABLES			
	Trade payables	145.9	190.8	
	Accruals and other payables	236.7	238.8	
	Payroll payables	44.3	51.7	
	Gold, copper and foreign exchange derivative contracts ¹	22.6	3.3	
	Leave pay accrual	43.0	42.5	
	Interest payable on loans	10.5	10.2	
	Deferred consideration refer note 16.2		11.2	
	Total trade and other payables	503.0	548.5	
28.	CASH GENERATED BY OPERATIONS			
	(Loss)/profit from continuing operations	(344.8)	(20.8)	167.9
	Mining and income taxation	(65.9)	173.2	189.5
	Royalties	62.5	62.0	78.4
	Interest expense	91.8	91.2	82.5
	Interest received	(6.8)	(5.1)	(7.3)
	Amortisation and depreciation	668.4	748.1	671.4
	Interest expense environmental rehabilitation	11.7	12.1	10.7
	Non-cash rehabilitation income	(0.9)	(13.5)	(9.7)
	Interest received environmental trust funds	(0.6)	(0.5)	
	Impairment, net of reversal of impairment of investments and assets	520.3	200.2	76.5
	Write-off of exploration and evaluation assets	37.7	51.5	41.4
	Loss/(profit) on disposal of assets	51.6	(4.0)	(48.0)
	Profit on disposal of investments			(2.3)
	Gain on acquisition of Asanko	(51.8)		
	Unrealised loss/(gain) on derivative contracts ²	36.6	(20.7)	(14.4)
	Fair value (gain)/loss on Maverix warrants ²	(3.8)	0.4	
	Profit on dilution of Gold Fields interest in Maverix	(4.0)		
	Silicosis settlement costs ²	(4.5)	30.2	
	Share-based payments	37.5	26.8	14.0

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Long-term incentive plan expense	1.1	5.0	10.5
Payment of long-term incentive plan	(17.8)	(11.5)	
Borrowing costs capitalised	(17.5)	(22.9)	(15.1)
Share of results of equity accounted investees, net of taxation	0.2	(0.3)	
Other ²	(3.0)	(14.9)	0.4
Total cash generated by operations	998.0	1,286.5	1,245.4
29. CHANGE IN WORKING CAPITAL			
Inventories	0.8	(55.1)	(39.2)
Trade and other receivables	15.0	(2.2)	2.8
Trade and other payables	(32.1)	(12.1)	34.1
Total change in working capital	(16.3)	(69.4)	(2.3)
30. ROYALTIES PAID			
Amount owing at beginning of the year continuing operations	(16.3)	(19.8)	(17.8)
Royalties continuing operations	(62.5)	(62.0)	(78.4)
Amount owing at end of the year continuing operations	12.5	16.3	19.8
Translation	0.8	(0.5)	
Total royalties paid continuing operations	(65.5)	(66.0)	(76.4)

¹ Comprises US\$12.3 million (2017: US\$nil) relating to Australian gold derivative contracts, US\$1.6 million (2017: US\$nil) relating to gold derivative contracts at South Deep, US\$8.7 million (2017: US\$nil) relating to Australian foreign exchange derivative contracts and US\$nil (2017: US\$3.3 million) relating to Peruvian copper derivative contracts. Refer note 38 for further details.

² The item Other in 2017 and 2016 has been disaggregated into unrealised gain on derivative contracts, fair value loss on Maverix warrants and silicosis settlement costs.

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

		United States Dollar		
		2018	2017	2016
<i>Figures in millions unless otherwise stated</i>				
31. TAXATION PAID				
Amount owing at beginning of the year	continuing operations	(77.5)	(107.9)	(59.3)
SA and foreign current taxation	continuing operations	(145.7)	(204.7)	(204.2)
Amount owing at end of the year	continuing operations	5.2	77.5	107.9
Translation		0.8	(4.4)	
Total taxation paid	continuing operations	(217.2)	(239.5)	(155.6)
32. RETIREMENT BENEFITS				
All employees are members of various defined contribution retirement schemes.				
Contributions to the various retirement schemes are fully expensed during the period in which they are incurred.				
	Retirement benefit costs	32.8	33.7	30.0
33. FINANCE LEASE LIABILITIES				
Balance at the beginning of the year				
	Additions ¹	96.2		
	Interest expense	0.2		
	Repayments	(2.5)		
	Translation adjustment	(5.3)		
	Balance at the end of the year	88.6		
	Current portion of finance lease liability	(8.5)		
	Non-current portion of finance lease liability	80.1		
Finance lease liabilities are payable as follows:				
	Future minimum lease payments			
	within one year	11.6		
	later than one and not later than five years	41.5		
	later than five years	58.4		

Total	111.5	
Interest		
within one year	3.1	
later than one and not later than five years	11.5	
later than five years	8.3	
Total	22.9	
Present value of minimum lease payments		
within one year	8.5	
later than one and not later than five years	30.0	
later than five years	50.1	
Total	88.6	
34. COMMITMENTS		
Capital expenditure		
Contracted for	50.0	44.5
Operating leases²		
within one year	76.7	66.6
later than one and not later than five years	256.5	257.9
later than five years	324.2	448.0
Guarantees		

The Group provides environmental obligation guarantees and other guarantees with respect to its South African, Peruvian, Ghanaian and Australian operations. These guarantees amounted to US\$207.6 million at 31 December 2018 (2017: US\$112.1 million and 2016: US\$100.1 million) (refer note 25.1).

¹ The finance lease additions relate mainly to the power purchase agreement at Gruyere. Gruyere joint venture (Gruyere) entered into a contract with APA Power Holdings Proprietary Limited (APA) for the supply of electricity to the Gruyere Mine. Gruyere has contracted APA to design, construct, operate and maintain the power facilities including gas pipelines for a period of 15 years. Gruyere pays a fee including a fixed monthly charge over the term of the arrangement, that is adjusted by the Australian consumer price index (CPI) on an annual basis. Due to the location of the site and the capacity of the plant, APA is unlikely to sell the power generated to other customers. Accordingly, although the arrangement is not in the legal form of a lease, in terms of IFRIC 4 Determining Whether an Arrangement Contains a Lease, it meets the definition of a lease and the lease was classified as a finance lease. At the inception of the arrangement, payments were split into lease payments and non-lease payments based on their relative fair values. The imputed finance costs on the liability were determined based on the interest rate implicit in the lease of 3.46%. The Group has proportionately consolidated its share of the finance lease.

² The operating lease commitments consist mainly of power purchase agreements entered into at Tarkwa, Damang, Granny Smith and Gruyere. Included in these amounts are payments for non-lease elements of the arrangement.

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On 21 August 2008, Gold Fields Operations Limited, or GFO, formerly known as Western Areas Limited, a subsidiary of Gold Fields, received a summons from Randgold and Exploration Company Limited, or R&E, and African Strategic Investment (Holdings) Limited. The summons claims that during the period that GFO was under the control of Brett Kebble, Roger Kebble and others, GFO assisted in the unlawful disposal of shares owned by R&E in Randgold Resources Limited, or Resources, and Afrikander Lease Limited, now Uranium One.

The claims have been computed in various ways. The highest claims have been computed on the basis of the highest prices of Resources and Uranium One shares between the dates of the alleged thefts and May 2017 (approximately R43.7 billion). The alternative claims are computed based on the value of the shares as at the date of judgment (which is not yet calculable), plus dividend amounts that would have been received and based on the market value of the shares at the time they were allegedly misappropriated, plus dividends that would have been received (cumulatively equating to approximately R26.9 billion).

Simultaneously with delivering its plea, GFO joined certain third parties to the action (namely JCI Limited, JC Lamprecht, RAR Kebble and the deceased and insolvent estate of BK Kebble), in order to enable it to claim compensation against such third parties in the event that the plaintiffs are successful in one or more of their claims. In addition, notices in terms of section 2(2)(b) of the Apportionment of Damages Act, 1956 were served on various parties by GFO, in order to enable it to make a claim for a contribution against such parties in terms of the Apportionment of Damages Act, should the plaintiffs be successful in one or more of its claims.

The matter has been allocated to the commercial court of the Gauteng Local Division, Johannesburg, as a result of which it will be case managed by the Judge assigned to the matter, in order to ensure that it progresses to trial. A provisional trial date of 29 January 2020 has been allocated to this matter, but it will only proceed to trial on this date if it is trial ready, which seems unlikely.

GFO's assessment remains that it has sustainable defences to these claims and, accordingly, GFO's attorneys were instructed to vigorously defend the claims.

The ultimate outcome of the claims cannot presently be determined and, accordingly, no adjustment for any effects on the Group that may result from these claims, if any, has been made in the consolidated financial statements.

Silicosis

Class action

A consolidated application has been brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who have allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application.

On 3 May 2018, the Gold Working Group (comprising African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Gold Fields, Harmony and Sibanye-Stillwater) (the GWG Parties) concluded a settlement agreement (the Settlement Agreement) with the attorneys representing claimants in the silicosis and tuberculosis class action litigation. The Settlement Agreement provides meaningful compensation to all eligible workers suffering from silicosis and/or tuberculosis who worked in the GWG Parties mines from 12 March 1965 to the effective date of the Settlement Agreement.

The Settlement Agreement is subject to certain suspensive conditions, including that an unconditional order of court, sanctioning the Settlement Agreement to make the Settlement Agreement an order of court, is obtained from the High Court of South Africa (Gauteng Local Division, Johannesburg) (the Court).

The first stage of the Court approval application comprised an ex parte application which was heard on 13 December 2018. Following this hearing, the Court issued an order setting out how members of the settling classes and other interested parties should be informed of the proposed settlement and how they may make representations to the Court regarding the settlement, should they wish.

The second stage of the approval application makes provision for members of the settling classes and interested parties to make submissions to the Court, if they so wish, on the settlement. The hearing of the second stage of the approval application will take place from 29 to 31 May 2019. Should there be no notifications of objections to the settlement, this hearing will take place on 3 April 2019.

If and when the Court has approved the settlement, there will then be a period in which members of the settling classes may indicate whether they wish to opt out of the settlement. The Settlement Agreement provides that any member of the settlement classes who does not opt out is automatically eligible to submit a claim.

In terms of the settlement, a settlement trust will be constituted. A website (www.SilicosisSettlement.co.za) and a Facebook page (www.facebook.com/silicosissettlement) were established where miners, ex-miners or their dependants can register an interest in making a claim from the settlement trust once it is established, and learn more about the settlement.

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35. CONTINGENT LIABILITIES (continued)

Silicosis (continued)

Individual action

In addition to the class action above, an individual silicosis-related action has been instituted against Gold Fields and another mining company. In February 2018, the defendants (including Gold Fields) and the plaintiff entered into a confidential settlement agreement in full and final settlement of this matter.

Financial provision

Gold Fields has provided for the estimated cost of the class action settlement based on actuarial assessments and the provisions of the Settlement Agreement. At 31 December 2018, the provision for Gold Fields' share of the settlement of the class action claims and related costs amounted to US\$25.1 million (R367.8 million). The nominal value of this provision is US\$34.7 million (R507.0 million).

This provision compares to the initial amount raised in June 2017 of US\$30.2 million (R400.2 million). The decrease is due to a change in the timing of expected cash flows.

The ultimate outcome of this matter remains uncertain, with a possible failure to fulfil all the suspensive conditions, including the Settlement Agreement being approved by the Court. The provision is consequently subject to adjustment in the future.

Acid mine drainage

Acid mine drainage or acid rock drainage, collectively called acid drainage (AD) is formed when certain sulphide minerals in rocks are exposed to oxidising conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

Gold Fields has identified incidences of AD, and the risk of potential short-term and long-term AD issues, specifically at its Cerro Corona, South Deep and Damang mines and, at currently immaterial levels, its Tarkwa and St Ives mines. The AD issues at Damang mine are confined to the Rex open pit.

Gold Fields commissioned additional technical studies from 2015 to 2018 to identify the steps required to prevent or mitigate the potentially material AD impacts at its Cerro Corona, Damang and South Deep operations, but none of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group. Gold Fields' mine closure cost estimates for 2018 contain costs for the aspects of AD management which the Group has reliably been able to estimate.

Gold Fields continues to investigate technical solutions at its South Deep, Cerro Corona and Damang mines to better inform appropriate short and long-term mitigation strategies for AD management and to work towards a reasonable cost estimate of these potential issues. Further studies are planned for 2019.

No adjustment for any effects on the Group that may result from AD, if any, has been made in the consolidated financial statements other than through the Group's normal environmental rehabilitation costs provision (refer note 25.1).

South Deep tax dispute

The South Deep mine is jointly owned and operated by GFIJVH (50%) and GFO (50%).

During the September 2014 quarter, the South African Revenue Service (SARS) issued a Finalisation of Audit Letter stating that SARS has disallowed GFIJVH's Additional Capital Allowance claim.

The Group objected to SARS' decision and vigorously defended its position. After no resolution was achieved during a Tax Court sitting in 2017, GFIJVH appealed to the High Court.

The Group announced that on 30 May 2018 GFIJVH and SARS entered into a confidential settlement agreement (as provided for in the Tax Administration Act) in full and final settlement of this matter. As a result of the settlement, GFIJVH has recognised an additional R2,708.0 million (US\$185.1 million) of capital allowance with a tax benefit on this amount of R785.3 million (US\$53.7 million).

36. EVENTS AFTER THE REPORTING DATE

Final dividend

On 15 February 2019, Gold Fields declared a final dividend of 20 SA cents per share.

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The effect of initially applying IFRS 9 on the Group's financial instruments is described in note 41. Due to the transition method adopted, comparative information has not been restated to reflect the new requirements.

Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities:

Figures in millions

unless otherwise stated

2018

Financial assets measured at fair value

	Carrying amount			Fair value		
	Fair value through profit or loss	Fair value through OCI	Financial assets measured at amortised cost	Other financial liabilities measured at amortised cost	Total	Total
Environmental trust funds	6.5				6.5	6.5
Trade receivables from provisional copper sales	15.3				15.3	15.3
Investments		93.1			93.1	93.1
Asanko redeemable preference shares		132.9			132.9	132.9
Warrants	9.3				9.3	9.3
Gold, copper and oil derivative contracts	8.3				8.3	8.3
Total	39.4	226.0			265.4	265.4

Financial assets not measured at fair value

Environmental trust funds			54.3		54.3	54.3
Trade and other receivables			64.2		64.2	64.2

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Cash and cash equivalents		399.7	399.7	399.7
Total		518.2	518.2	518.2
Financial liabilities measured at fair value				
Gold, copper and foreign exchange derivative contracts		22.6	22.6	22.6
Total		22.6	22.6	22.6
Financial liabilities not measured at fair value				
Borrowings		2,011.6	2,011.6	2,001.8
Trade and other payables		393.1	393.1	393.1
Finance lease liabilities		88.6	88.6	88.6
Total		2,493.3	2,493.3	2,483.5

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37. FINANCIAL INSTRUMENTS (continued)
Accounting classifications and fair values (continued)

	Fair value	Carrying amount			Fair value		
	value	Loans through and profit	Available for sale	Derivative instruments	Other financial instruments	Total	Total
<i>Figures in millions unless otherwise stated</i>							
2017							
Financial assets measured at fair value							
Environmental trust funds	7.3					7.3	7.3
Trade receivables from provisional copper sales	21.2					21.2	21.2
Investments			99.1			99.1	99.1
Warrants				5.5		5.5	5.5
Gold and oil derivative contracts				25.0		25.0	25.0
Total	28.5		99.1	30.5		158.1	158.1
Financial assets not measured at fair value							
Environmental trust funds		48.2				48.2	48.2
Trade and other receivables		45.3				45.3	45.3
Cash and cash equivalents		479.0				479.0	479.0
Total		572.5				572.5	572.5
Financial liabilities measured at fair value							
Copper derivative contracts				3.3		3.3	3.3
Total				3.3		3.3	3.3
Financial liabilities not measured at fair value							

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Borrowings	1,781.5	1,781.5	1,805.1
Trade and other payables	451.0	451.0	451.0
Total	2,232.5	2,232.5	2,256.1

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Trade and other receivables, trade and other payables and cash and cash equivalents

The carrying amounts approximate fair values due to the short maturity of these instruments.

Investments and redeemable preference shares

The fair value of publicly traded instruments (listed investments) is based on quoted market values. Asanko redeemable preference shares are accounted for at fair value based on the expected cash flows as set out in note 17.

Warrants

Warrants are measured at fair value, using a standard European call option format based on a standard option theory model, with adjustments to the fair value being recognised in profit or loss.

Oil, gold, copper and foreign exchange derivative contracts

The fair values of these contracts are determined by using available market contract values for each trading date's settlement volume.

Environmental trust funds

The environmental trust funds are measured at amortised cost and fair value through profit or loss which approximates fair value based on the nature of the fund's investments.

Borrowings

The fair value of borrowings, except for the US\$1 billion notes issued at a fixed interest rate, approximates their carrying amount as the impact of credit risk is included in the measurement of carrying amounts. The fair value of the US\$1 billion notes issue is based on listed market prices.

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37. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The Group has the following hierarchy for measuring the fair value of assets and liabilities at the reporting date:

Level 1

Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2

Inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3

Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers during the year ended 31 December 2018 and 2017.

The following table sets out the Group's assets and liabilities measured at fair value by level within the fair value hierarchy at the reporting date:

United States Dollar

Figures in millions unless otherwise stated

2018				2017			
Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3

Financial assets measured at fair value					
Environmental trust funds	6.5		6.5	7.3	7.3
Trade receivables from provisional copper sales	15.3		15.3	21.2	21.2
Investments listed	93.0	93.0		99.0	99.0
Investments unlisted	0.1		0.1	0.1	0.1
Asanko redeemable preference shares	132.9		132.9		
Warrants	9.3		9.3	5.5	5.5
Oil derivative contracts	4.7		4.7	14.1	14.1
Copper derivative contracts	1.2		1.2		
Gold derivative contracts	2.4		2.4	10.9	10.9
Financial liabilities measured at fair value					
Copper derivative contracts				3.3	3.3
Foreign exchange derivative contracts	8.7		8.7		
Gold derivative contracts	13.9		13.9		

Trade receivables from provisional copper sales

Valued using quoted market prices based on the forward London Metal Exchange (LME) and, as such, is classified within level 2 of the fair value hierarchy.

Listed investments

Comprise equity investments in listed entities and are therefore valued using quoted market prices in active markets.

Asanko redeemable preference shares

The fair value is based on the expected cash flows of the Asanko Gold mine based on the life-of-mine model (refer note 17 for further details).

Warrants

Warrants are measured at fair value through profit or loss. The fair value is determined using a standard European call option format based on a standard option theory model.

Oil, gold, copper and foreign exchange derivative contracts

The fair values of these contracts are determined by using available market contract values for each trading date s settlement volume.

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38. RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the Group is exposed to commodity price, currency, interest rate, liquidity, equity price and credit risk. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

Controlling and managing risk in the Group

Gold Fields has policies in areas such as counterparty exposure, hedging practices and prudential limits which have been approved by Gold Fields Board of Directors. Management of financial risk is centralised at Gold Fields treasury department (Treasury), which acts as the interface between Gold Fields operations and counterparty banks. Treasury manages financial risk in accordance with the policies and procedures established by the Gold Fields Board of Directors and Executive Committee.

Gold Fields Board of Directors has approved dealing limits for money market, foreign exchange and commodity transactions, which Gold Fields Treasury is required to adhere to. Among other restrictions, these limits describe which instruments may be traded and demarcate open position limits for each category as well as indicating counterparty credit-related limits. The dealing exposure and limits are checked and controlled each day and reported to the Chief Financial Officer.

The objective of Treasury is to manage all financial risks arising from the Group's business activities in order to protect profit and cash flows. Treasury activities of Gold Fields Limited and its subsidiaries are guided by the Treasury Framework and the Treasury Process Control Manual, as well as domestic and international financial market regulations. Treasury activities are currently performed within the Treasury Framework with appropriate resolutions from the Board of Gold Fields Limited, which are reviewed and approved annually by the Audit Committee.

The financial risk management objectives of the Group are defined as follows:

Risk management objectives	Description
Credit risk	
Counterparty exposure	The objective is to only deal with approved counterparts that are of a sound financial standing and who have an official credit rating. The Group is limited to a maximum investment of 2.5% of the financial institutions' equity, which is dependent on the institutions' credit rating. The credit rating used is Fitch Ratings short-term credit rating for financial institutions.
Investment risk management	The objective is to achieve optimal returns on surplus funds.
Liquidity risk	
Liquidity risk management	The objective is to ensure that the Group is able to meet its short-term commitments through the effective and efficient usage of credit facilities and cash resources.
Funding risk management	The objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
Market risk	
Currency risk management	The objective is to maximise the Group's profits by minimising currency fluctuations.
Interest rate risk management	The objective is to identify opportunities to prudently manage interest rate exposures.
Commodity price risk management	Commodity price risk management takes place within limits and with counterparts as approved in the Treasury Framework.

Other risks

Operational risk management

The objective is to implement controls to adequately mitigate the risk of error and/or fraud.

Banking relations management

The objective is to maintain relationships with credible financial institutions and ensure that all contracts and agreements related to risk management activities are coordinated and consistent throughout the Group and that they comply where necessary with all relevant regulatory and statutory requirements.

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Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents as well as environmental trust funds.

The Group has reduced its credit exposure by dealing with a number of counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

The combined maximum credit risk exposure of the Group is as follows:

	United States Dollar	
<i>Figures in millions unless otherwise stated</i>	2018	2017
Environmental trust funds	60.8	55.5
Trade and other receivables ¹	79.5	66.5
Cash and cash equivalents	399.7	479.0

¹Trade and other receivables above exclude VAT, import duties, prepayments, payroll receivables, derivative contracts and diesel rebates amounting to US\$73.7 million (2017: US\$135.4 million).

Expected credit loss assessment for customers at 31 December 2018 under IFRS 9

The Group determines each exposure to credit risk based on data that is determined to be predictive of the risk of loss and past experienced credit judgment.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group also considers other factors that might impact the credit risk of its customer base including default risk and the country in which the customer operates.

Impairment of trade receivables, carried at amortised cost, has been determined using the simplified expected credit loss (ECL) approach and reflects the short-term maturities of the exposures. These receivables comprise refineries purchasing gold bullion and are all in sound financial position. The Group further limits its exposure to credit risk from these receivables through payment terms of two to three days after recognition of revenue for gold sales.

Receivables due from the sale of the Tarkwa mining fleet were assessed using the simplified ECL approach. The ECL was based on the Group's understanding of the financial position of the counterparty, including the consideration of their credit risk grade.

Concentration risk

At 31 December 2018, the exposure to credit risk for trade receivables by geographic region was as follows:

		United States Dollar	
<i>Figures in millions unless otherwise stated</i>		2018	2017
South Africa			12.8
Ghana		8.1	10.4
Australia			2.2
Peru		15.3	21.2
Total trade receivables		23.4	46.6

Comparative information under IAS 39

An analysis of the total trade receivables indicated that the past due but not impaired trade receivables at 31 December 2018 was US\$0.1 million (2017: US\$nil). At 31 December 2018, receivables of US\$0.2 million (2017: US\$0.1 million) were considered impaired and were provided for.

Cash and cash equivalents

The Group held cash and cash equivalents of US\$399.7 million (2017: US\$479.0 million).

The cash and cash equivalents are held with banks and financial institutions which are rated BBB- to AA+, based on Standard & Poor's ratings. Impairment of cash and cash equivalents has been determined using the simplified ECL approach. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Environmental trust funds

The Group held environmental trust funds of US\$60.8 million (2017: US\$55.5 million).

The environmental trust funds are held with banks and financial institutions which are rated BBB- to AA+, based on S&P ratings. Impairment of environmental trust funds has been determined using the simplified ECL approach. The Group considers that its environmental trust funds have low credit risk based on the external credit ratings of the counterparties with which the funds are deposited with.

Concentration of credit risk on cash and cash equivalents and environmental trust funds is considered minimal due to the Group's investment risk management and counterparty exposure risk management policies.

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for the year ended 31 December

38. RISK MANAGEMENT ACTIVITIES (continued)**Liquidity risk**

In the ordinary course of business, the Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns while ensuring that capital is safeguarded to the maximum extent possible by investing only with top financial institutions.

Uncommitted borrowing facilities are maintained with several banking counterparties to meet the Group's normal and contingency funding requirements.

The following are the contractually due undiscounted cash flows resulting from maturities of all financial liabilities, including interest payments:

United States Dollar*Figures in millions unless otherwise stated***2018**

Trade and other payables	393.1			393.1
Gold, copper and foreign exchange derivative contracts	22.6			22.6
Borrowings ¹				
US\$ borrowings ²				
Capital		1,563.9		1,563.9
Interest	74.2	60.4		134.6
A\$ borrowings ³				
Capital		316.5		316.5

	Within one year	Between one and five years	After five years	Total
	393.1			393.1
	22.6			22.6
		1,563.9		1,563.9
	74.2	60.4		134.6
		316.5		316.5

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Interest	13.8	19.4		33.2
Rand borrowings ⁴				
Capital	86.3	47.9		134.2
Interest	11.6	1.2		12.8
Environmental rehabilitation costs ⁵	13.0	33.7	353.2	399.9
Finance lease liabilities	11.6	41.5	58.4	111.5
South Deep dividend	1.4	4.1	4.1	9.6
Total	627.6	2,088.6	415.7	3,131.9
2017				
Trade and other payables	451.0			451.0
Copper derivative contracts	3.3			3.3
Borrowings ¹				
US\$ borrowings ²				
Capital		1,360.9		1,360.9
Interest	61.3	87.8		149.1
A\$ borrowings ³				
Capital		231.5		231.5
Interest	9.5	13.9		23.4
Rand borrowings ⁴				
Capital	193.6			193.6
Interest	10.8			10.8
Environmental rehabilitation costs ⁵	6.5	24.8	349.7	381.0
South Deep dividend	1.6	5.3	5.8	12.7
Total	737.6	1,724.2	355.5	2,817.3

¹ Spot rate: R14.63 = US\$1.00 (2017: R12.58 = US\$1.00 and 2016: R14.03 = US\$1.00).

² USD borrowings Spot LIBOR (one month fix) rate adjusted by specific facility agreement: 2.50625% (2017: 1.5638% (one month fix)).

³ AUD borrowings Spot Bank Bill Swap Bid Rate (BBSY) (one month fix) adjusted by specific facility agreement: 2.02% (2017: 1.76%).

⁴ ZAR borrowings Spot JIBAR (one month fix) rate adjusted by specific facility agreement: 6.942% (2017: 6.908%) and bank overnight borrowing rate on uncommitted credit facilities: average of 8.1% (2017: 8.3%).

⁵ Although environmental rehabilitation costs do not meet the definition of a financial liability, the Group included the gross closure cost estimate in the undiscounted cash flows as it represents a future cash outflow (refer note 25.1). In South Africa and Ghana, US\$60.8 million (2017: US\$55.5 million) of the environmental rehabilitation costs are funded through the environmental trust funds.

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Table of Contents**The Gold Fields** Annual Financial Report including Governance Report 2018 **195****38. RISK MANAGEMENT ACTIVITIES (continued)****Market risk**

Gold Fields is exposed to market risks, including foreign currency, commodity price, equity securities price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Gold Fields may enter into derivative financial instruments to manage some of these exposures.

IFRS 7 sensitivity analysis

IFRS 7 requires sensitivity analysis that shows the effects of reasonably possible changes of relevant risk variables on profit or loss or shareholders' equity. The Group is exposed to commodity price, currency, interest rate and equity price risks. The effects are determined by relating the reasonably possible change in the risk variable to the balance of financial instruments at reporting date.

The amounts generated from the sensitivity analysis below are forward-looking estimates of market risks assuming certain adverse or favourable market conditions occur. Actual results in the future may differ materially from those projected results and therefore should not be considered a projection of likely future events and gains/losses.

Foreign currency sensitivity**General and policy**

In the ordinary course of business, Gold Fields enters into transactions, such as gold sales, denominated in foreign currencies, primarily US Dollar. In addition, Gold Fields has investments and indebtedness in US Dollar, as well as South African Rand and Australian Dollar.

Gold Fields may from time to time establish currency financial instruments to protect underlying cash flows.

Gold Fields' revenues and costs are very sensitive to the Australian Dollar/US Dollar and South African Rand/US Dollar exchange rates because revenues are generated using a gold price denominated in US Dollar, while costs of the Australian and South African operations are incurred principally in Australian Dollar and South African Rand, respectively. Depreciation of the Australian Dollar and/or South African Rand against the US Dollar reduces Gold Fields' average costs when they are translated into US Dollar, thereby increasing the operating margin of the

Australian and/or South African operations. Conversely, appreciation of the Australian and/or South African Rand results in Australian and/or South African operating costs increasing when translated into US Dollar, resulting in lower operating margins. The impact on profitability of changes in the value of the Australian Dollar and South African Rand against the US Dollar could be substantial.

Although this exposes Gold Fields to transaction and translation exposure from fluctuations in foreign currency exchange rates, Gold Fields does not generally hedge its foreign currency exposure, although it may do so in specific circumstances, such as financing projects or acquisitions. Also, Gold Fields on occasion undertakes currency hedging to take advantage of favourable short-term fluctuations in exchange rates when management believes exchange rates are at unsustainable levels.

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. The Group had no significant exposure to currency risk relating to financial instruments at 31 December 2018. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into account.

Foreign currency hedging experience

Australia

In May 2018, the Australian operations entered into Australian Dollar/US Dollar average rate forwards for a total notional US\$96.0 million for the period January 2019 to December 2019 at an average strike price of 0.7517.

In June 2018, further hedges were taken out for a total notional US\$60.0 million for the same period January 2019 to December 2019 at an average strike of 0.7330.

In September 2018, further hedges were taken out for a total notional US\$100 million for the same period January 2019 to December 2019 at an average strike of 0.7182.

In October 2018, further hedges were taken out for the period January 2019 to December 2019 for a notional US\$60 million at an average strike of 0.7075.

In December 2018, further hedges were taken out for the period January 2019 to December 2019 for a notional US\$50 million at an average strike of 0.715.

At 31 December 2018, the marked-to-market value on the hedges was negative US\$8.7 million.

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for the year ended 31 December

38. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price hedging policy

Gold and copper

The market prices of gold and to a lesser extent copper have a significant effect on the results of operations of Gold Fields, the ability of Gold Fields to pay dividends and undertake capital expenditures, and the market price of Gold Fields' ordinary shares. Gold and copper prices have historically fluctuated widely and are affected by numerous industry factors over which Gold Fields does not have any control. The aggregate effect of these factors on the gold and copper prices, all of which are beyond the control of Gold Fields, is impossible for Gold Fields to predict.

Oil

The market price of oil has a significant effect on the results of the offshore operations of Gold Fields. The offshore operations consume large quantities of diesel in the running of their mining fleets. Oil prices have historically fluctuated widely and are affected by numerous factors over which Gold Fields does not have any control.

Commodity price hedging experience

The Group's policy is to remain unhedged to the gold and copper prices. However, hedges are sometimes undertaken as follows:

- To protect cash flows at times of significant expenditure;
- For specific debt servicing requirements; and
- To safeguard the viability of higher cost operations.

To the extent that it enters into commodity hedging arrangements, Gold Fields seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or related parties of, Gold Fields.

Gold and copper

Australia

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In February 2018, the Australian operations entered into Asian swaps (Asian swaps are options where the payoff is determined by the average monthly gold price over the option period) for the period June 2018 to December 2018 for a total of 221,000 ounces of gold. The average strike price on the swaps was A\$1,714 per ounce.

In March 2018, the Australian operations entered into zero-cost collars for the period April 2018 to December 2018 for a total of 452,800 ounces of gold. The average strike prices are A\$1,703 per ounce on the floor and US\$1,767 per ounce on the cap.

The realised gain on the above Asian swaps and zero-cost collars was US\$8.4 million.

In December 2018, additional Asian swaps were entered into for the period January 2019 to December 2019 for a notional 283,000 ounces of gold at an average strike price of A\$1,751 per ounce.

At 31 December 2018, the marked-to-market value on the above hedge was negative US\$8.4 million.

In December 2018, additional zero-cost collars were executed for the period January 2019 to December 2019 for a notional 173,000 ounces of gold with a strike price on the floor at A\$1,720 per ounce and the strike price on the cap at A\$1,789 per ounce.

At 31 December 2018, the marked-to-market value on the hedge was negative US\$3.9 million.

Subsequent to year-end, additional zero-cost collars were executed for the period January 2019 to December 2019 for a notional 456,000 ounces of gold with a strike price on the floor at A\$1,800 per ounce and the strike price on the cap at A\$1,869 per ounce.

In summary, the zero-cost collars taken out for Australia for 2019 are for 629,000 ounces of gold in total with a strike price on the floor at A\$1,778 per ounce and a strike price on the cap at A\$1,847 per ounce and Asian swaps of 283,000 ounces of gold with an average strike price of A\$1,751 per ounce.

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38. RISK MANAGEMENT ACTIVITIES (continued)

Commodity price hedging experience (continued)

Gold and copper (continued)

Peru

In November 2017, zero-cost collars were entered into for the period January 2018 to December 2018. A total volume of 29,400 tonnes was hedged, at an average floor price of US\$6,600 per tonne and an average cap price of US\$7,431 per tonne.

At 31 December 2018, the marked-to-market valuation of the hedge was a positive of US\$1.2 million, with a realised gain of US\$4.8 million.

South Africa

In November 2017, South Deep entered into zero-cost collars for the period January 2018 to December 2018 for 63,996 ounces of gold. The strike prices are R600,000 per kilogram on the floor and R665,621 per kilogram on the cap.

At 31 December 2018, the marked-to-market value on the hedge was positive US\$0.4 million with a realised gain of US\$8.9 million.

In October 2018 and November 2018, average rate forwards were entered into for the period September 2019 to December 2019 for a total of 69,543 ounces at an average strike price of R615,103 per kilogram.

At 31 December 2018, the marked-to-market value was negative US\$2.0 million.

Subsequent to year-end, additional rate forwards were taken out for a further 30,072 ounces at an average strike price of R620,000 per kilogram.

In summary, the rate forwards taken out for South Deep for 2019 are for 99,615 ounces of gold in total at an average strike price of R616,581 per kilogram.

Ghana

In January 2018 and April 2018, a total of 488,900 ounces of the expected production for the Ghanaian region was hedged for the period January 2018 to December 2018 using zero-cost collars. The average strike prices are US\$1,300 per ounce on the floor and US\$1,418 per ounce on the cap.

At 31 December 2018, the marked-to-market value on the hedge was positive US\$2.4 million with a realised gain of US\$19.6 million.

Oil

Australia

In May 2017 and June 2017, the Australian operations entered into fixed price Singapore 10ppm Gasoil cash-settled swap transactions for a total of 77.5 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$61.15 per barrel. At the time of the transactions, the average Brent swap equivalent over the tenor was US\$49.92 per barrel.

At 31 December 2018, the marked-to-market value on the hedge was a positive US\$1.7 million with a realised gain of US\$4.6 million.

Ghana

In May 2017 and June 2017, the Ghanaian operations entered into fixed price ICE Gasoil cash-settled swap transactions for a total of 125.8 million litres of diesel for the period June 2017 to December 2019. The average swap price is US\$457.2 per metric tonne (equivalent US\$61.4 per barrel). At the time of the transactions, the average Brent swap equivalent over the tenor was US\$49.8 per barrel.

At 31 December 2018, the marked-to-market value on the hedge was a positive US\$3.0 million with a realised gain of US\$7.5 million.

The gains and losses on the above hedges were recognised in profit or loss and are included in the gain on financial instruments line item. The Group does not apply hedge accounting.

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for the year ended 31 December

38. RISK MANAGEMENT ACTIVITIES (continued)**Equity securities price risk****General**

The Group is exposed to equity securities price risk because of investments held by the Group which are designated at fair value through OCI. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's equity investments are publicly traded and are listed on one of the following exchanges:

JSE Limited
Toronto Stock Exchange
Australian Stock Exchange
London Stock Exchange

The table below summarises the impact of increases/decreases of the exchanges on the Group's shareholders' equity in case of shares. The analysis is based on the assumption that the share prices quoted on the exchange have increased/decreased with all other variables held constant and the Group's investments moved according to the historical correlation with the index.

United States Dollar**Sensitivity to equity security price**

Figures in millions unless otherwise stated

2018(Decrease)/increase in OCI¹**2017**

(Decrease)/increase in equity price			
(10.0%)	(5.0%)	5.0%	10.0%
(9.3)	(4.7)	4.7	9.3

(Decrease)/increase in OCI¹ (9.9) (5.0) 5.0 9.9

¹ Spot rate: R14.63 = US\$1.00 (2017: R12.58 = US\$1.00).

Preference shares price risk

The Group is exposed to preference shares price risk because of the Asanko preference shares which are designated at fair value through OCI. The fair value of the redeemable preference shares is based on the expected cash flows of the Asanko Gold mine based on the life-of-mine model.

The tables below summarise the impact of increases/decreases on the Group's shareholders' equity in case of changes in the key inputs used to value the preference shares. The first analysis is based on the assumption that the market-related discount rate has increased/decreased with all other variables held constant. The second analysis is based on the assumption that the timing of the cash flows used in the life-of-mine model increased/decreased with all other variables held constant.

Sensitivity to preference shares price risk

Figures in millions unless otherwise stated

2018

Increase/(decrease) in OCI

United States Dollar

(Decrease)/increase in discount rate			
(1.0%)	(2.0%)	2.0%	1.0%
3.4	6.8	(6.8)	(3.4)

Sensitivity to preference shares price risk

Figures in millions unless otherwise stated

2018

Increase/(decrease) in OCI

United States Dollar

(Decrease)/increase in timing of cash flows	
1 year earlier	1 year later
11.1	(10.1)

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As Gold Fields has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Gold Fields' interest rate risk arises from borrowings.

As of 31 December 2018, Gold Fields' borrowings amounted to US\$2,011.6 million (2017: US\$1,781.5 million). Gold Fields generally does not undertake any specific action to cover its exposure to interest rate risk, although it may do so in specific circumstances.

Interest rate sensitivity analysis

The portion of Gold Fields' interest-bearing borrowings at year-end that is exposed to interest rate fluctuations is US\$1,162.2 million (2017: US\$933.6 million). These borrowings are normally rolled for periods between one and three months and are therefore exposed to the rate changes in this period. The remainder of the borrowings bear interest at a fixed rate.

US\$711.5 million (2017: US\$508.5 million) of the total borrowings at reporting date is exposed to changes in the LIBOR rate, US\$47.9 million (2017: US\$79.5 million) is exposed to the JIBAR rate, US\$86.3 million (2017: US\$114.1 million) is exposed to the South African prime (prime) interest rate and US\$316.5 million (2017: US\$231.5 million) is exposed to the BBSY rate. The relevant interest rates for each facility are described in note 24.

The table below summarises the effect of a change in finance expense on the Group's profit or loss had LIBOR, JIBAR, prime and BBSY differed as indicated. The analysis is based on the assumption that the applicable interest rate increased/decreased with all other variables held constant and is calculated on the weighted average borrowings for the year. All financial instruments with fixed interest rates that are carried at amortised cost are not subject to the interest rate sensitivity analysis.

United States Dollar

Sensitivity to interest rates	Change in interest expense for a nominal change in interest rates					
	(1.5%)	(1.0%)	(0.5%)	0.5%	1.0%	1.5%
<i>Figures in millions unless otherwise stated</i>						
2018						
Sensitivity to LIBOR interest rates	(9.8)	(6.5)	(3.3)	3.3	6.5	9.8
Sensitivity to BBSY interest rates ¹	(4.9)	(3.3)	(1.6)	1.6	3.3	4.9
Sensitivity to JIBAR and prime interest rates ²	(1.2)	(0.8)	(0.4)	0.4	0.8	1.2
Change in finance expense	(15.9)	(10.6)	(5.3)	5.3	10.6	15.9
2017						
Sensitivity to LIBOR interest rates	(11.3)	(7.5)	(3.8)	3.8	7.5	11.3
Sensitivity to BBSY interest rates ¹	(0.8)	(0.5)	(0.3)	0.3	0.5	0.8
Sensitivity to JIBAR and prime interest rates ²	(2.0)	(1.3)	(0.7)	0.7	1.3	2.0
Change in finance expense	(14.1)	(9.3)	(4.8)	4.8	9.3	14.1

¹Average rate: A\$0.75 = US\$1.00 (2017: A\$0.77 = US\$1.00)

²Average rate: R13.2 = US\$1.00 (2017: R13.33 = US\$1.00)

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for the year ended 31 December

39. CAPITAL MANAGEMENT

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that:

- Optimises the cost of capital
- Maximises shareholders' returns, and
- Ensures that the Group remains in a sound financial position.

There were no changes to the Group's overall capital management approach during the current year.

The Group manages and makes adjustments to the capital structure as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. Opportunities in the market are also monitored closely to ensure that the most efficient funding solutions are implemented.

The Group monitors capital using the ratio of net debt to adjusted EBITDA. Adjusted EBITDA is defined as profit or loss for the year adjusted for interest, taxation, amortisation and depreciation and certain other costs. The definition of adjusted EBITDA is as defined in the US\$1,290 million term loan and revolving credit facilities agreement. Net debt is defined as total borrowings less cash and cash equivalents. The Group's long-term target is a ratio of net debt to adjusted EBITDA of one times or lower. The bank covenants on external borrowings require a net debt to adjusted EBITDA ratio of 2.5 or below and the ratio is measured based on amounts in United States Dollar.

United States Dollar*Figures in millions unless otherwise stated*

	Notes	2018	2017
Borrowings	24	2,011.6	1,781.5
Less: Cash and cash equivalents	21	399.7	479.0
Net debt		1,611.9	1,302.5
Adjusted EBITDA		1,111.6	1,263.7
Net debt to adjusted EBITDA		1.45	1.03

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Reconciliation of (loss)/profit for the year to adjusted EBITDA:			
(Loss)/profit for the year (continuing and discontinued operations)		(344.8)	(7.7)
Mining and income taxation from continuing operations		(65.9)	173.2
Mining and income taxation from discontinued operations	12.1		(1.4)
Royalties from continuing operations		62.5	62.0
Royalties from discontinued operations	12.1		1.1
Finance expense from continuing operations		88.0	81.3
Investment income from continuing operations		(7.8)	(5.6)
Gain on financial instruments from continuing operations		(21.0)	(34.4)
Foreign exchange loss from continuing operations		(6.4)	3.5
Amortisation and depreciation from continuing operations	2	668.4	748.1
Amortisation and depreciation from discontinued operations	12.1		3.5
Share-based payments from continuing operations		37.5	26.8
Long-term incentive plan from continuing operations		1.1	5.0
Restructuring costs from continuing operations		113.9	9.2
Silicosis settlement costs from continuing operations		(4.5)	30.2
Impairment, net of reversal of impairment of investments and assets from continuing operations		520.3	200.2
Profit on disposal of assets from continuing operations		51.6	(4.0)
Gain on sale of discontinued operation, net of taxation	12.1		(16.4)
Share of results of equity accounted investees, net of taxation		13.1	1.3
Rehabilitation income from continuing operations	7	(0.9)	(13.5)
Realised gain on derivative contracts		53.8	
Gain on acquisition of Asanko	15	(51.8)	
Other		4.5	1.3
		1,111.6	1,263.7

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40. RELATED PARTIES

(a) Subsidiaries, associates and joint ventures

The subsidiaries, associates and joint ventures of the Company are disclosed in note 43.

All transactions and balances with these related parties have been eliminated in accordance with and to the extent required by IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures*.

(b) Key management remuneration

Key management personnel include executive directors and prescribed officers (Executive Committee). The total key management remuneration amounted to US\$17.0 million (2017: US\$17.0 million) for 2018.

The details of key management personnel, including remuneration and participation in the Gold Fields Limited share scheme and LTIP are disclosed in note 40 (c).

(c) Directors and prescribed officers remuneration

None of the directors and officers of Gold Fields or, to the knowledge of Gold Fields, their families, had any interest, direct or indirect, in any transaction during the last three fiscal periods or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or subsidiaries, other than as stated below.

None of the directors or officers of Gold Fields or any associate of such director or officer is currently or has been at any time during the past three fiscal periods indebted to Gold Fields.

At 31 December 2018, the Executive Committee and non-executive directors' beneficial interest in the issued and listed stated capital of the Company was 0.1% (2017: 0.2%). No one director's interest individually exceeds 1% of the issued stated capital or voting control of the Company.

Non-executive directors (NEDs)

NEDs' fees reflect their services as directors and services on various subcommittees on which they serve.

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NEDs do not participate in any of the short- or long-term incentive plans and there are no arrangements in place for compensation to be awarded in the case of loss of office.

The Remuneration Committee seeks to align NEDs fees to the median of an appropriate peer group and reviews fee structures for NEDs on an annual basis. Approval is sought from shareholders after recommendation by the Board at the Annual General Meeting.

The following table summarises the remuneration for NEDs for the years ended 31 December 2018 and 2017:

	Board fees		
	Directors	Committee	Total
	fees	fees	
	US\$ 000	US\$ 000	US\$ 000
C Carolus	231.3		231.3
R Menell	150.5		150.5
D Ncube ¹	30.7	21.3	52.0
Y Suleman	75.9	72.4	148.3
P Bacchus	80.6	61.1	141.7
S Reid	80.6	55.4	136.0
T Goodlace	75.9	38.4	114.3
A Andani	80.6	40.2	120.8
C Letton	80.6	49.8	130.4
P Mahanyele-Dabengwa ²	25.9	2.7	28.6
Total 2018	912.6	341.3	1,253.9
C Carolus	216.0		216.0
R Menell	140.5		140.5
D Ncube	70.9	49.1	120.0
Y Suleman	70.9	53.3	124.2
P Bacchus	76.5	53.1	129.6
S Reid	76.5	54.1	130.6
T Goodlace	70.9	40.6	111.5
A Andani	76.5	53.3	129.8
C Letton ³	51.0	20.0	71.0
G Wilson ⁴	28.4	26.3	54.7
Total 2017	878.1	349.8	1,227.9

¹ Retired from the Board at end May 2018.

² Appointed to the Board in September 2018.

³ Fees in respect of the 2017 year were paid as a lump sum in January 2018.

⁴ Retired from the Board at end of May 2017.

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

40. RELATED PARTIES (continued)**Executive Committee**

The following table summarises the remuneration for executive directors and prescribed officers for the years ended 31 December 2018 and 2017: (Details of the remuneration are further described in the Remuneration Report)

	Pension fund		Cash incentive ²		Other ³	Share-based payment expense ⁴	LTIP expense ⁴	Total
	Salary ¹	contribution	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Executive directors								
N Holland	1,251.6	26.5	661.5			1,654.8	25.5	3,619.9
P Schmidt	626.6	48.2	306.2	2.1		876.2	25.3	1,884.6
	1,878.2	74.7	967.7	2.1		2,531.0	50.8	5,504.5
Prescribed officers								
L Rivera ⁵	668.8	72.8	132.9	386.8		202.6		1,463.9
A Baku ⁶	808.0	185.8	634.8	68.0		990.4	25.5	2,712.5
R Butcher	384.5	37.3	192.4			238.5		852.7
N Chohan	367.2	26.5	213.9	1.8		341.1	6.9	957.4
B Mattison ⁷	453.6	26.5	271.9	2.5		545.1	16.4	1,316.0
T Harmse	369.7	26.5	215.3	7.8		433.5	13.9	1,066.7
A Nagaser	243.3	27.0	131.1	0.4		185.8	5.0	592.6
S Mathews ⁸	438.2	29.5	289.4	4.9		399.2	10.9	1,172.1
M Preece	541.7	26.5	168.8	0.4		113.0		850.4

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R Bardien ⁹	274.3	24.3	150.5	106.1			555.2
	4,549.3	482.7	2,401.0	578.7	3,449.2	78.6	11,539.5
Total 2018	6,427.5	557.4	3,368.7	580.8	5,980.2	129.4	17,044.0
Executive directors							
N Holland	1,186.9	26.3	1,002.2		1,264.3	158.8	3,638.5
P Schmidt	588.6	48.2	542.7	4.0	674.8	141.8	2,000.1
	1,775.5	74.5	1,544.9	4.0	1,939.1	300.6	5,638.6
Prescribed officers							
L Rivera ⁵	626.3	48.4	270.4	253.3	156.8		1,355.2
A Baku ⁶	784.7	180.5	719.8	150.2	784.3	146.8	2,766.3
R Butcher	353.0	37.9	278.5		178.9		848.3
N Chohan	342.8	26.3	288.3	3.3	261.4	40.3	962.4
B Mattison ⁷	426.7	26.3	369.9	1.0	426.9	93.9	1,344.7
T Harmse	344.7	26.3	290.1	6.8	342.2	78.2	1,088.3
A Nagaser	228.1	25.3	192.0	0.7	143.7	24.9	614.7
S Mathews ⁸	397.5	21.2	326.1	10.0	316.4	59.5	1,130.7
M Preece	338.2	16.6			63.5		418.3
L Samuel ¹⁰	384.3	17.5		198.9			600.7
R Weston ¹¹	102.0	4.5		7.6	34.4		148.5
N Muller ¹²	129.4	6.6		34.0			170.0
	4,457.7	437.4	2,735.1	665.8	2,708.4	443.6	11,448.0
Total 2017	6,233.2	511.9	4,280.0	669.8	4,647.5	744.2	17,086.6

¹ The total US\$ amounts paid for 2018, and included in salary were as follows : N Holland US\$406,700 (2017: US\$396,500), P Schmidt US\$124,150 (2017: US\$121,000) and B Mattison US\$88,217 (2017: US\$86,000).

² The annual bonuses for the year ended 31 December 2017 and 31 December 2018 were paid in February 2018 and February 2019, respectively.

³ Other payments include special bonuses and incidental payments unless otherwise stated.

⁴ The share-based payment and LTIP expenses are calculated in terms of IFRS and are not the cash amounts paid. For details of the cash amounts paid, refer the Remuneration Report.

⁵ Other payments for 2018 relate to cash in lieu of 2016 share award payable upon vesting in March 2019 and 2017 relate to a legislative bonus.

⁶ Other payments for 2018 relate to a profit share bonus payment and 2017 relates to a leave allowance.

⁷ Other payments for 2018 relate to a service award.

⁸ Other payments for 2018 relate to a bonus payment in lieu of most improved operation bonus scheme

⁹ Appointed on 1 February 2018. Other payments for 2018 relate to a sign-on-bonus.

¹⁰ Resigned 31 July 2017. Other payments for 2017 include a payment in lieu of notice.

¹¹ Retired 28 February 2017.

¹² Resigned 31 March 2017.

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41. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Group applied IFRS 15 and IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

Due to the transition methods adopted by the Group in applying these standards, comparative information throughout these consolidated financial statements has not been restated to reflect the requirements of the new standards.

(a) IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods.

Revenue from mining operations

Revenue is now recognised when the customer takes control of the gold, copper and silver. The timing of recognition of revenue is no longer when risks and rewards of ownership pass to the customer.

The change in the timing of revenue recognition results in revenue at the South African and Australian operations being recognised on settlement date (when control passes) and not contract date (previous date when risks and rewards of ownership pass to the customer). There is no change to the revenue recognition at any of the other operations given that the date of control is the same date as when risks and rewards of ownership pass.

Transition method applied by the Group

The Group adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018:

United States Dollar

Figures in millions unless otherwise stated

Retained earnings

Revenue

Cost of sales

Impact at 1 January 2018

The implementation of IFRS 15 had no impact on non-controlling interest.

	Impact of adopting IFRS 15 at 1 January 2018
	(15.0)
	11.5
	(3.5)

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

41. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (continued)**(a) IFRS 15 Revenue from contracts with customers** (continued)**Transition method applied by the Group** (continued)

The following tables summarise the impact of adopting IFRS 15 on the Group's income statement and statement of OCI and cash flow statement for the year then ended for each of the line items affected. There was no impact on the Group's statement of financial position at 31 December 2018.

United States Dollar*Figures in millions unless otherwise stated*

	2018		Amounts without adoption of IFRS 15
	s reported	Adjustment	
Revenue	2,577.8	(15.0)	2,562.8
Cost of sales	(2,043.0)	11.5	(2,031.5)
Others	(879.6)		(879.6)
(Loss)/profit for the year	(344.8)	(3.5)	(348.3)
OCI, net of tax	(330.0)		(330.0)
Total comprehensive income for the year	(674.8)	(3.5)	(678.3)

United States Dollar*Figures in millions unless otherwise stated*

	2018		Amounts without
	s reported	Adjustment	

	adoption of IFRS 15	
Cash flows from operating activities		
Cash generated by operations	998.0	(3.5)
Change in working capital	(16.3)	3.5
Others	(423.9)	(423.9)
	557.8	557.8

(b) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

The Group has used an exemption not to restate comparative information for prior periods with respect to classification and measurement requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 were immaterial and therefore no adjustments were required to be recognised in retained earnings and reserves as at 1 January 2018.

Changes to disclosures are reflected in the financial instruments note disclosure in the consolidated financial statements.

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through OCI (FVOCI) and fair value through profit or loss (FVTPL). It eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9, however, largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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The following table summarises the impact of transition to IFRS 9 on the classification of financial assets and financial liabilities at 1 January 2018:

				United States Dollar	
				Carrying amount under IAS 39	Carrying amount under IFRS 9
				Original classification under IAS 39	New classification under IFRS 9
<i>Figures in millions unless otherwise stated</i>					
Environmental trust funds	37	FVTPL	FVTPL	7.3	7.3
Environmental trust funds	37	Loans and receivables	Amortised cost	48.2	48.2
Trade and other receivables	37	Loans and receivables	Amortised cost	45.3	45.3
Cash and cash equivalents	37	Loans and receivables	Amortised cost	479.0	479.0
Trade receivables from provisional copper and gold concentrate sales Investments ¹	37	FVTPL Available for sale	FVTPL	21.2	21.2
	37		FVOCI	99.1	99.1

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Warrants		Derivative instruments	FVTPL	5.5	5.5
Gold and oil derivative contracts	37	Derivative instruments	FVTPL	25.0	25.0
Total financial assets				730.6	730.6

¹ As permitted by IFRS 9, the Group has designated these investments at the date of initial application at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

United States Dollar

		Original classification	New classification	Carrying amount under IAS 39	Carrying amount under IFRS 9
<i>Figures in millions unless otherwise stated</i>	Note	IAS 39	IFRS 9		
Borrowings	37	Other financial liabilities	Other financial liabilities	1,781.5	1,781.5
Trade and other payables		Other financial liabilities	Other financial liabilities		
Copper derivative contracts	37	FVTPL	FVTPL	451.0	451.0
Total financial liabilities				2,235.8	2,235.8

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The Group has determined that, based on the ECL calculations, the application of IFRS 9's impairment requirements does not result in any additional allowance for impairment at 1 January 2018. Additional information about how the Group measures the allowance for impairment is described in notes 37 and 38.

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for the year ended 31 December

42. SEGMENT REPORT**Financial summary**

	Peru		Australia			Total Australia	Fruyere	Corporate and other ³	Group including Asanko	Group excluding Asanko
	Total Ghana	Cerro Corona	St Ives	Agnew/ Lawlers	Granny Smith					
Asanko ²										
54.9 (52.9)	950.8 (754.3)	351.0 ⁷ (236.6)	464.7 (332.2)	301.1 (236.4)	355.0 (212.7)	1,120.8 (781.3)		(3.1)	2,632.7 (2,095.9)	2,577.8 (2,043.0)
(41.6)	(483.8)	(160.3)	(200.9)	(159.7)	(166.3)	(526.9)		0.6	(1,432.4)	(1,390.8)
4.2	13.2	5.5	14.9	(1.7)	(1.8)	11.4			20.4	16.2
(15.5)	(283.7)	(81.8)	(146.2)	(75.0)	(44.6)	(265.8)		(3.7)	(683.9)	(668.4)
(0.3)	7.2	1.5	4.5	9.1	1.1	14.8	(3.5)	(44.5) ⁴	(30.8)	(30.5)
	(8.9)	(4.3)	(3.5)	(2.6)	(3.1)	(9.2)		(10.4)	(37.5)	(37.5)

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	0.4	0.4	(0.2)		(0.2)	(0.4)		(1.6)	(1.1)	(1.1)
	(0.4)	(1.1)	(18.2)	(8.0)	(11.0)	(37.2)	(0.5)	(65.0)	(104.2)	(104.2)
	(102.7)								(113.9)	(113.9)
								4.5	4.5	4.5
		(1.9)				0.0		(272.2)	(520.3)	(520.3)
	(38.0)		(0.3)	(0.1)		(0.4)		(14.2)	(51.6)	(51.6)
	8.3		0.4	0.2	0.3	0.9		(2.3)	7.8	7.8
	(14.1)	(5.0)	(2.5)	(1.0)	(1.0)	(4.6)	(0.2)	(54.5)	(88.0)	(88.0)
(2.8)	(31.3)	(5.1)	5	5	5	(27.9)		51.8	51.8	51.8
	13.9	(56.4)	5	5	5	(85.3)	1.2	29.8	65.9	65.9
	(19.6)	(52.1)	5	5	5	(89.6)	29.5	(13.9)	(145.7)	(145.7)
	33.5	(4.3)	5	5	5	4.3	(28.3)	43.7	211.6	211.6
(1.1)	30.9	42.6	5	5	5	190.2	(3.0)	(381.8)	(345.9)	(344.8)
(1.1)	27.5	42.4	5	5	5	190.2	5	(381.8)	(349.3)	(348.2)
	3.2	0.2	5	5	5		5		3.4	3.4
2	1,735.4	708.8	702.4	492.6	306.7	1,501.7	127.2	949.2	5,834.8	5,834.8
2	284.7	211.7	135.2	66.5	75.1	276.8	101.6	790.1	2,942.5	2,942.5
2	246.5	85.1	5	5	5	71.4	30.5	(59.1)	185.4	185.4
12.8	307.4	33.2	127.2	72.8	78.8	278.7	134.3	15.1	827.0	814.2

The above is a geographical analysis presented by location of assets.

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The Group's continuing operations are primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Gruyere Gold project and in Peru, the Cerro Corona mine. While the Gruyere Gold project does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the Group's performance in future years as the project is being developed. The Group also has exploration interests which are included in the Corporate and other segment. Refer to accounting policies on segment reporting on page 149.

US Dollar figures may not add as they are rounded independently.

- ¹ The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation relating to the acquisition of South Deep (refer note 14). South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 29%.
- ² For the purpose of the review of the segment by the CODM, Asanko is proportionately consolidated in the Ghana segment. Equity Accounted Joint Venture carried at US\$85.8 million.
- ³ Corporate and other represents the items to reconcile segment data to consolidated financial statement totals, including the elimination of intercompany transactions and balances as well as the Group's exploration interests. This does not represent a separate segment as it does not generate revenue. Included in Corporate and other is the adjustment made in respect of the purchase price allocation relating to the acquisition of South Deep.
- ⁴ Other costs Corporate and other comprise share of loss of equity accounted investees, net of taxation of US\$13.1 million and the balance of US\$31.4 million consists mainly of corporate-related costs.
- ⁵ The Australian operations are entitled to transfer and off-set profits and losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.
- ⁶ Capital expenditure for the year ended 31 December 2018.
- ⁷ Includes revenue from the sale of copper amounting to US\$169.2 million.

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42. SEGMENT REPORT (continued)
Financial summary

	Peru	Australia									
	Cerro Corona	St Ives	Agnew/ Lawlers	Granny Smith	Total Australia	Buyere	Corporate and other ²	Continuing operations	Darlot	Continued operations	Group
1 5)	392.9⁶ (285.2)	457.3 (330.9)	302.6 (232.7)	363.8 (203.9)	1,123.7 (767.5)	(1.3)	(1.8)	2,761.8 (2,105.1)	49.0 (50.7)	49.0 (50.7)	2,810.8 (2,155.8)
3)	(151.2)	(187.6)	(154.9)	(156.8)	(499.3)	(1.3)	0.9	(1,426.5)	(46.3)	(46.3)	(1,472.8)
1	(3.1)	29.0	4.5	(3.6)	29.9			69.5	(0.9)	(0.9)	68.6
3)	(130.9)	(172.3)	(82.3)	(43.5)	(298.1)		(2.7)	(748.1)	(3.5)	(3.5)	(751.6)
7)	(12.1)	18.0	6.4	4.6	29.0		(10.3) ³	10.6	(0.2)	(0.2)	10.4
1)	(3.6)	(2.2)	(1.7)	(2.1)	(6.0)		(7.6)	(26.8)	(0.6)	(0.6)	(27.4)
2)	(0.7)	(0.7)	(0.5)	(0.6)	(1.8)		(1.3)	(5.0)	(0.1)	(0.1)	(5.1)
9)	(0.5)	(23.0)	(15.9)	(10.8)	(49.7)	(1.8)	(57.8)	(109.8) (9.2)	(1.5)	(1.5)	(111.3) (9.2)

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							(30.2)	(30.2)		(30.2)
3)	52.6						(242.5)	(200.2)		(200.2)
7		(0.2)	1.5		1.3		(0.3)	4.0		4.0
6		0.9	0.6	0.7	2.2		(1.0)	5.6	0.4	6.0
3)	(4.7)	(2.8)	(1.0)	(1.0)	(4.8)		(49.1)	(81.3)		(81.3)
1)	(5.3)	4	4	4	(27.8)	4		(62.0)	23.5 (1.1)	23.5 (1.1)
5)	(36.1)	4	4	4	(89.5)	4	(3.0)	(173.2)	(5.6)	(5.6)
0)	(50.8)	4	4	4	(91.7)	4	(4.2)	(204.7)	(2.3)	(2.3)
5	14.7	4	4	4	2.2	4	1.2	31.5	(3.3)	(3.3)
8	97.4	4	4	4	209.2	4	(404.9)	(20.8)	13.1	13.1
3	96.9	4	4	4	209.2	4	(404.9)	(31.8)	13.1	13.1
5	0.5	4	4	4		4		11.0		11.0
1	774.0	693.7	500.0	392.0	1,585.7	34.9	982.9	6,548.1		6,548.1
3	188.7	138.2	71.5	78.1	287.8	32.9	539.4	2,763.2		2,763.2
0	80.8	4	4	4	87.0	4	(18.3)	381.9	4	4
8	34.0	156.2	73.7	87.0	316.9	81.1	6.4	833.6	6.8	6.8

The above is a geographical analysis presented by location of assets.

The Group's continuing operations are primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported

based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Gruyere Gold project and in Peru, the Cerro Corona mine. While the Gruyere Gold project does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the Group's performance in future years as the project is being developed. The Group also has exploration interests which are included in the Corporate and other segment. Refer to accounting policies on segment reporting on page 149.

The Group's discontinued operation is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held in Australia.

US Dollar figures may not add as they are rounded independently.

- ¹ *The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation relating to the acquisition of South Deep (refer note 14). South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 30%.*
- ² *Corporate and other represents the items to reconcile segment data to consolidated financial statement totals, including the elimination of intercompany transactions and balances as well as the Group's exploration interests. This does not represent a separate segment as it does not generate revenue. Included in Corporate and other is the adjustment made in respect of the purchase price allocation, including goodwill relating to the acquisition of South Deep.*
- ³ *Other costs Corporate and other comprise share of loss of associates after taxation of US\$1.3 million and the balance of US\$9.0 million consists mainly of corporate-related costs.*
- ⁴ *The Australian operations are entitled to transfer and off-set profits and losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.*
- ⁵ *Capital expenditure for the year ended 31 December 2017.*
- ⁶ *Includes revenue from the sale of copper amounting to US\$177.8 million.*

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

42. SEGMENT REPORT (continued)
Financial summary

	Peru	Australia								
	Cerro Corona	St Ives	Agnew/ Lawlers	Granny Smith	Total Australia	Corporate and other ²	Continuing operations	Darlot	Discontinued operations	Group
3	322.3 ⁶	452.3	285.4	355.8	1,093.6		2,666.4	83.1	83.1	2,749.5
5)	(255.5)	(335.8)	(215.2)	(178.7)	(729.7)	(7.5)	(2,001.2)	(72.1)	(72.1)	(2,073.4)
2)	(143.7)	(192.8)	(145.7)	(141.1)	(479.6)	1.1	(1,375.7)	(57.3)	(57.3)	(1,433.0)
3	3.8	11.0	5.1	7.4	23.5		45.9	(0.4)	(0.4)	45.5
2)	(115.6)	(154.0)	(74.6)	(45.0)	(273.6)	(8.6)	(671.4)	(14.4)	(14.4)	(685.9)
4)	(13.0)	13.6	6.1	2.6	22.3	(23.1) ³	(8.8)			(8.8)
3)	(2.0)	(1.2)	(0.8)	(0.9)	(2.9)	(4.0)	(14.0)	(0.4)	(0.4)	(14.4)
3)	(1.8)	(0.8)	(0.7)	(0.8)	(2.3)	(2.6)	(10.5)	(0.5)	(0.5)	(11.0)
		(21.1)	(9.6)	(10.6)	(41.3)	(44.8)	(86.1)	(6.1)	(6.1)	(92.2)
1)				(1.2)	(1.2)	(0.4)	(11.7)			(11.7)
0)	(66.4)					(0.1)	(76.5)			(76.5)

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	(0.1)		0.2	(0.3)	(0.1)		48.1	48.0			48.0
3							5.4	8.3			8.3
4	(4.7)	(2.7)	(1.0)	(1.0)	(4.7)		(55.8)	(78.1)	(0.2)	(0.2)	(78.3)
5	(4.6)	4	4	4	(27.3)	4		(78.4)	(2.0)	(2.0)	(80.4)
8	(47.4)	4	4	4	(92.8)	4	(13.5)	(189.5)	(0.6)	(0.6)	(190.1)
4	(45.9)	4	4	4	(95.2)	4	(10.7)	(204.2)	(0.5)	(0.5)	(204.7)
5	(1.5)	4	4	4	2.4	4	(2.8)	14.7	(0.1)	(0.1)	14.6
5	(73.1)	4	4	4	213.6	4	(98.3)	167.9	1.2	1.2	169.1
3	(72.8)	4	4	4	213.6	4	(98.3)	157.0	1.2	1.2	158.2
2	(0.3)	4	4	4		4		10.9			10.9
5	822.5	584.7	439.6	293.9	1,318.2	272.5	964.9	6,252.8	10.1	10.1	6,262.8
3	195.4	136.3	66.3	63.1	265.7	272.4	446.3	2,657.1	22.5	22.5	2,679.6
4	95.6	4	4	4	80.1	4	(15.7)	409.9	4	4	409.9
3	42.8	140.0	70.0	90.3	300.3		1.3	628.5	21.4	21.4	649.9

The above is a geographical analysis presented by location of assets.

The Group's continuing operations are primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside South Africa. The segment results have been prepared and presented based on management's reporting format. Gold mining operations are managed and internally reported based on the following geographical areas: in South Africa, South Deep mine, in Ghana, Tarkwa and Damang mines, in Australia, St Ives, Agnew/Lawlers, Granny Smith and Gruyere Gold project and in Peru, the Cerro Corona mine. While the Gruyere Gold project does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the Group's performance in future years as the project is being developed. The Group also has exploration interests which are included in the Corporate and other segment. Refer to accounting policies on segment reporting on page 149.

The Group's discontinued operation is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held in Australia.

US Dollar figures may not add as they are rounded independently.

- ¹ *The income statement and statement of financial position of South Deep is that of the operating mine and does not include any of the adjustments made in respect of the purchase price allocation relating to the acquisition of South Deep (refer note 14). South Deep Gold mine, being an unincorporated joint venture, is not liable for taxation. Taxation included in South Deep is indicative, as tax is provided in the holding companies at a rate of 30%.*
- ² *Corporate and other represents the items to reconcile segment data to consolidated financial statement totals, including the elimination of intercompany transactions and balances as well as the Group's exploration interests. This does not represent a separate segment as it does not generate revenue. Included in Corporate and other is the adjustment made in respect of the purchase price allocation, including goodwill relating to the acquisition of South Deep.*
- ³ *Other costs Corporate and other comprise share of loss of associates after taxation of US\$2.3 million, profit on disposal of investments of US\$2.3 million and the balance of US\$23.1 million consists mainly of corporate-related costs.*
- ⁴ *The Australian operations are entitled to transfer and off-set profits and losses from one company to another, therefore it is not meaningful to split the royalties, income or deferred taxation.*
- ⁵ *Capital expenditure for the year ended 31 December 2016.*
- ⁶ *Includes revenue from the sale of copper amounting to US\$130.6 million.*

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	Notes	Shares held		Group beneficial interest	
		2018	2017	2018	2017
Subsidiaries					
Unlisted					
Abosso Goldfields Ltd ⁶					
Class A shares	1	49,734,000	49,734,000	90.0	90.0
Class B shares	1	4,266,000	4,266,000	90.0	90.0
Agnew Gold Mining Company Pty Ltd	2	54,924,757	54,924,757	100.0	100.0
Beatrix Mines Ltd	3	96,549,020	96,549,020	100.0	100.0
Beatrix Mining Ventures Ltd	3	9,625,001	9,625,001	100.0	100.0
Darlot Mining Company Pty Ltd	2	1	1	100.0	100.0
Driefontein Consolidated (Pty) Ltd	3	1,000	1,000	100.0	100.0
GFI Joint Venture Holdings (Pty) Ltd	3	311,668,564	311,668,564	100.0	100.0
GFL Mining Services Ltd	3	235,676,387	235,676,387	100.0	100.0
Gold Fields Ghana Ltd ⁷	1	900	900	90.0	90.0
Gold Fields Group Services (Pty) Ltd	3	1	1	100.0	100.0
Gold Fields Holdings Company (BVI) Ltd	5	4,084	4,084	100.0	100.0
Gold Fields La Cima S.A. ⁸	4	1,426,050,205	1,426,050,205	99.5	99.5
Gold Fields Operations Ltd	3	156,279,947	156,279,947	100.0	100.0
Gold Fields Orogen Holding (BVI) Ltd	5	356	356	100.0	100.0
Gruyere Mining Company Pty Ltd	2	1	1	100.0	100.0
GSM Mining Company Pty Ltd	2	1	1	100.0	100.0
Kloof Gold Mining Company Ltd	3	138,600,000	138,600,000	100.0	100.0
Newshelf 899 (Pty) Ltd ⁹	3	90,000,000	90,000,000	100.0	100.0
St Ives Gold Mining Company Pty Ltd	2	281,051,329	281,051,329	100.0	100.0
Total					

¹ Incorporated in Ghana.² Incorporated in Australia.

³ *Incorporated in the Republic of South Africa.*

⁴ *Incorporated in Peru.*

⁵ *Incorporated in the British Virgin Islands.*

⁶ *Abooso Goldfields Ltd (Abooso) owns the Damang operation in Ghana. The accumulated non-controlling interest of Abooso at 31 December 2018 amounts to US\$5.2 million (2017: US\$5.8 million). No dividends were paid to non-controlling interest during 2018 or 2017. Refer to the segment reporting, note 42, for summarised financial information of Damang.*

⁷ *Gold Fields Ghana Ltd (GFG) owns the Tarkwa operation in Ghana. The accumulated non-controlling interest of GFG at 31 December 2018 amounts to US\$115.3 million (2017: US\$119.2 million). A dividend of US\$9.2 million was advanced to non-controlling interest during 2018 (2017: US\$5.8 million). Refer to the segment reporting, note 42, for summarised financial information of Tarkwa.*

⁸ *Gold Fields La Cima S.A. (La Cima) owns the Cerro Corona operation in Peru. The accumulated non-controlling interest of La Cima at 31 December 2018 amounts to US\$1.9 million (2017: US\$2.4 million). A dividend of US\$0.6 million was paid to non-controlling interest during 2018 (2017: US\$0.6 million). Refer to the segment reporting, note 42, for financial information of Cerro Corona.*

⁹ *Newshelf is the holding company of GFIJVH and GFO which own the South Deep mine. In terms of the South Deep BEE agreement, there is an agreed phase-in participation of BEE partners over 20 years. The BEE partners stake will ultimately be 10%, resulting in a 90% holding by Newshelf.*

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Notes to the consolidated financial statements (continued)

for the year ended 31 December

43. MAJOR GROUP INVESTMENTS DIRECT AND INDIRECT (continued)

	Shares held		Group beneficial interest	
	2018	2017	2018 %	2017 %
Other¹				
Listed associates				
Maverix Metals Incorporated (Maverix)	42,850,000	42,850,000	19.9 ²	27.9
Rusoro Mining Limited	140,000,001	140,000,001	25.7	25.7
Joint venture				
Far Southeast Gold Resources Incorporated	1,737,699	1,737,699	40.0	40.0
Asanko Gold Ghana Limited	450,000,000		45.0	
Adansi Gold Company Limited	100,000		50.0	
Shika Group Finance Limited	10,000		50.0	
Listed equity investments				
Asanko Gold Inc.	22,354,657		9.9	
Bezant Resources PLC	17,945,922	17,945,922	1.8	2.9
Cardinal Resources Limited	42,818,182	42,818,182	11.3	11.5
Cardinal Resources Limited (Options)	38,220,051	38,220,051	25.83	33.02
Cascadero Copper Corporation		2,025,000		1.1
Clancy Exploration Limited	17,764,783	17,764,783	0.5	0.6
Consolidated Woodjam Copper Corporation	16,115,740	12,848,016	19.9 ⁴	17.2
Fjordland Exploration Incorporated		363,636		0.8
Gold Road Resources Limited	87,117,909	87,117,909	9.9	9.9
Hummingbird Resources PLC	21,258,503	21,258,503	6.0	6.2
Lefroy Exploration Limited	14,764,535		18.2	
Magmatic Resources Limited	17,600,000		15.0	
Orsu Metals Corp	2,613,491	2,613,491	7.2	7.3
Radius Gold Incorporated		3,625,124		4.2
Red 5 Limited	246,875,821	246,875,821	19.9 ⁵	19.9

¹ Only major investments are listed individually.²

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Gold Fields owns an additional 10.0 million common share purchase warrants (refer note 17) that are currently exercisable. After inclusion of the warrants, Gold Fields owns 20.5% in Maverix on a diluted basis.

³ *If the Group was to exercise all the Cardinal Resources options, the Group's effective interest would be below 20% and therefore does not have significant influence over Cardinal Resources Limited.*

⁴ *An assessment has been performed and the Group does not have significant influence over Consolidated Woodjam Copper Corporation.*

⁵ *An assessment has been performed and the Group does not have significant influence over Red 5 Limited.*

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Operating and financial information by mine

for the year ended 31 December

SOUTH AFRICA REGION

	South Deep						
	Gold produced				Net earnings		
	Tonnes Milled	Yield* g/tonne	Kilograms	000 ounces	All-in costs**	SA Rand	US\$
					US\$/oz	million	million
Year to 30 June							
2007#	1,104,000	4.6	5,076	163	595	(46.8)	(6.5)
2008	1,367,000	5.3	7,220	232	727	(143.1)	(19.7)
2009	1,241,000	4.4	5,434	175	717	(10.9)	(1.2)
2010	1,681,000	4.9	8,236	265	811	(81.0)	(10.7)
Six months to December							
2010	1,101,000	4.1	4,547	146	939	(96.5)	(13.5)
Year to 31 December							
2011	2,440,000	3.5	8,491	273	1,073	146.4	20.3
2012	2,106,000	4.0	8,411	270	1,105	122.1	14.9
2013	2,347,000	4.0	9,397	302	1,045	(206.9)	(21.6)
2014	1,323,000	4.7	6,236	200	1,732	(897.7)	(83.0)
2015	1,496,000	4.1	6,160	198	1,559	(700.5)	(55.2)
2016	2,248,000	4.0	9,032	290	1,234	191.1	13.0
2017	2,081,000	4.2	8,748	281	1,400	(337.6)	(25.3)
2018	1,320,000	3.7	4,885	157	2,012	(3,009.2)	(224.7)
Total	21,855,000	4.2	91,873	2,954			

#For the seven months ended 30 June 2007, since acquisition control.

*Combined surface and underground yield.

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

WEST AFRICA REGION

Ghana division	
Tarkwa mine	total managed

		Gold produced				All-in costs**	Net earnings (before minorities)
		Tonnes treated	Yield g/tonne	Kilograms	000 ounces	US\$/oz	US\$ million
Year to 30 June							
1994	2005	91,612,600	1.2	108,546	3,490	n/a	210.9
2006		21,487,000	1.0	22,060	709	292	97.8
2007		22,639,000	1.0	21,684	697	333	116.9
2008		22,035,000	0.9	20,095	646	430	147.8
2009		21,273,000	0.9	19,048	612	521	100.0
2010		22,716,000	1.0	22,415	721	536	187.9
Six months to December 2010		11,496,000	1.0	11,261	362	562	135.6
Year to 31 December							
2011		23,138,000	1.0	22,312	717	556	401.4
2012		22,910,000	1.0	22,358	719	673	263.7
2013		19,275,000	1.0	19,664	632	816	(16.2)
2014		13,553,000	1.3	17,363	558	1,068	83.7
2015		13,520,000	1.3	18,229	586	970	87.5
2016		13,608,000	1.3	17,669	568	959	116.9
2017		13,527,000	1.3	17,617	566	940	85.4
2018		13,791,000	1.2	16,330	525	951	40.1
Total		346,580,600	1.1	376,651	12,110		

Surface operation from F1999.

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

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Operating and financial information by mine (continued)

for the year ended 31 December

		Damang mine total managed					Net earnings (before minorities)
		Gold produced			All-in costs**	US\$ million	
		Tonnes treated	Yield g/tonne	Kilograms	000 ounces	US\$/oz	
Year to 30 June							
2002#	2005	17,279,000	1.8	30,994	996	n/a	76.1
	2006	5,328,000	1.4	7,312	235	341	27.2
	2007	5,269,000	1.1	5,843	188	473	16.0
	2008	4,516,000	1.3	6,041	194	551	25.9
	2009	4,991,000	1.2	6,233	200	660	9.0
	2010	5,028,000	1.3	6,451	207	660	45.9
	Six months to December 2010	2,491,000	1.5	3,637	117	636	39.4
Year to 31 December							
	2011	4,942,000	1.4	6,772	218	701	100.5
	2012	4,416,000	1.2	5,174	166	918	36.3
	2013	3,837,000	1.2	4,760	153	1,060	(118.3)
	2014	4,044,000	1.4	5,527	178	1,175	3.4
	2015	4,295,000	1.2	5,220	168	1,326	(89.3)
	2016	4,268,000	1.1	4,594	148	1,254	(4.5)
	2017	4,590,000	1.0	4,467	144	1,827	20.4
	2018	4,205,000	1.3	5,630	181	1,506	(8.3)
	Total	79,499,000	1.4	108,655	3,493		

F2002 For the five months ended 30 June, since acquisition.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Before 2014, cash cost was used.

Asanko mine [#]						
Gold produced						Net earnings (before minorities)
All-in costs**						US\$ million
	Tonnes treated	Yield g/tonne	Kilograms	000 ounces	US\$/oz	
Year to 30 June						
2018*	944	1.5	1,400	45	1,175	(1.1)
Total	9,44	2	1,400	45		

Equity accounted joint venture. For the purpose of the review of the Group results by the Chief Operating Decision Maker (CODM), in terms of IFRS 8 Operating Segments, Asanko is proportionately consolidated. As a result, the operating and financial information by mine includes analysis of Asanko's results.

*Asanko has been equity accounted since 31 July 2018.

** All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Before 2014, cash cost was used.

AUSTRALIA REGION

Australia division St Ives mine							
Gold produced						All-in costs**	Cash Cost**
	Tonnes treated	Yield g/tonne	Kilograms	000 ounces	US\$/oz	A\$/oz	
Year to 30 June							
2002 [#] 2005	21,960,000	2.7	59,838	1,924	254	379	
2006	6,690,000	2.3	15,440	496	339	453	
2007	6,759,000	2.2	15,146	487	424	540	
2008	7,233,000	1.8	12,992	418	582	649	
2009	7,262,000	1.8	13,322	428	596	805	
2010	6,819,000	1.9	13,097	421	710	806	
Six months to December 2010	3,284,000	2.3	7,557	243	710	757	
Year to 31 December							
2011	6,745,000	2.1	14,449	465	901	873	
2012	7,038,000	2.0	13,992	450	931	899	
2013	4,763,000	2.6	12,525	403	833	861	
2014	4,553,000	2.5	11,246	362	1,164	1,289	
2015	3,867,000	3.0	11,566	372	969	1,287	
2016	4,046,000	2.8	11,290	363	949	1,273	
2017	4,198,000	2.7	11,319	364	916	1,198	
2018	4,251,000	2.7	11,415	367	902	1,207	

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Total	99,468,000	2.4	235,194	7,562
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F2002 For the seven months ended 30 June, since acquisition.

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

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		Agnew mine					
		Gold produced			All-in costs**	Cash Cost**	
		Tonnes treated	Yield g/tonne	Kilograms	000 ounces	US\$/oz	A\$/oz
Year to 30 June							
2002#	2005	4,299,000	4.6	19,911	640	236	357
2006		1,323,000	5.2	6,916	222	266	355
2007		1,323,000	5.0	6,605	212	295	377
2008		1,315,000	4.8	6,336	204	445	496
2009		1,066,000	5.6	5,974	192	401	541
2010		883,000	5.8	5,140	165	539	611
Six months to December 2010		417,000	5.9	2,477	80	621	662
Year to 31 December							
2011		935,000	6.5	6,035	194	696	675
2012		943,000	5.8	5,494	177	827	799
2013		974,000	6.9	6,705	216	625	646
2014		1,246,000	6.8	8,419	271	990	1,096
2015		1,218,000	6.0	7,360	237	959	1,276
2016		1,176,000	6.1	7,134	229	971	1,301
2017		1,235,000	6.1	7,502	241	977	1,276
2018		1,178,000	6.3	7,434	239	1,026	1,374
Total		19,531,000	5.6	109,442	3,519		

For the seven months ended 30 June, since acquisition.

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

		Darlot mine	
		Gold produced	
		Kilograms	

	Tonnes treated	Yield g/tonne		000 ounces	All-in costs** US\$/oz	Cash Cost** A\$/oz
Year to 31 December						
2013 From October	158,000	3.9	613	20	1,025	1,059
2014	525,000	5.0	2,601	84	1,222	1,353
2015	457,000	5.3	2,440	78	1,057	1,403
2016	454,000	4.6	2,066	66	1,238	1,662
2017#	338,000	3.6	1,219	39	1,432	1,874
Total	1,932,000	4.6	8,940	287		

Sale completed on 2 October 2017.

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

Granny Smith mine						
Gold produced						
	Tonnes treated	Yield g/tonne		000 ounces	All-in costs** US\$/oz	Cash Cost** A\$/oz
Year to 31 December						
2013 from October	330,000	5.9	1,935	62	786	812
2014	1,472,000	6.7	9,804	315	809	896
2015	1,451,000	6.5	9,365	301	764	1,017
2016	1,446,000	6.1	8,827	284	834	1,119
2017	1,726,000	5.2	9,030	290	896	1,171
2018	1,778,000	4.9	8,709	280	925	1,239
Total	8,203,000	5.8	47,670	1,533		

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

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Operating and financial information by mine (continued)

for the year ended 31 December

	St Ives/Agnew/Lawlers/ Darlot/Granny Smith	
	Net earnings	
	US\$ million	A\$ million
Year to 30 June		
2002# 2005	181.2	296.2
2006	39.3	52.6
2007	41.5	52.8
2008	36.8	41.2
2009	69.8	94.3
2010	81.0	89.9
Six months to December 2010	60.9	64.9
Year to 31 December		
2011	189.6	183.8
2012	88.9	85.8
2013	(138.9)	(143.6)
2014	94.5	104.7
2015	175.5	233.3
2016	219.5	294.4
2017*	219.2	266.8
2018	190.2	254.5
Total	1,549.0	1,971.6

#F2002 For the seven months ended 30 June 2002, since acquisition.

*Sale of Darlot completed on 2 October 2017.

SOUTH AMERICA REGION

Peru division

Cerro Corona total managed

Gold produced

	Tonnes treated	Yield g/tonne	Kilograms	000 ounces	All-in costs** US\$/oz	Net earnings (before minorities) US\$ million
Year to 30 June						
2009#	4,547,000	1.5	6,822	219	369	25.4
2010	6,141,000	2.0	12,243	394	348	90.8
Six months to December 2010	3,102,000	2.0	6,206	200	395	93.3
Year to 31 December						
2011	6,593,000	1.8	11,915	383	437	208.5
2012	6,513,000	1.6	10,641	342	492	217.6
2013	6,571,000	1.5	9,851	317	491	80.5
2014	6,797,000	1.5	10,156	327	702	66.5
2015	6,710,000	1.4	9,196	296	777	(93.4)
2016	6,977,000	1.2	8,405	270	762	(73.1)
2017	6,796,000	1.4	9,540	307	673	97.4
2018	6,644,000	1.5	9,767	314	699	42.6
Total	67,391,000	1.6	104,742	3,367		

Transition from project to operation from September 2008.

* Cerro Corona is a gold and copper mine. As such, gold produced and all-in costs are based on gold equivalent ounces.

**All-in costs: as from 2014 per the new World Gold Council Standard issued on 27 June 2013. Up to 2014, cash cost was the key metric.

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Shareholders information

Register date: 28 December 2018

Issued share capital: 821,532,707 shares

	Number of areholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 1000 shares	10,831	85.50	1,426,377	0.17
1001 10 000 shares	1,131	8.93	3,569,323	0.43
10 001 100 000 shares	412	3.25	15,635,038	1.90
100 001 1 000 000 shares	222	1.75	70,243,706	8.55
Over 1 000 000 shares	72	0.57	730,658,263	88.94
Total	12,668	100.00	821,532,707	100.00

	Number of areholders	%	Number of shares	%
DISTRIBUTION OF SHAREHOLDERS				
American Depositary Receipts	2	0.02	388,735,882	47.32
Banks	222	1.75	153,276,971	18.66
Brokers	85	0.67	34,979,191	4.26
Close Corporations	82	0.65	102,049	0.01
Control Account	1	0.01	908,662	0.11
Endowment Funds	16	0.13	863,844	0.11
Individuals	11,103	87.65	7,350,082	0.89
Insurance Companies	15	0.12	11,059,237	1.35
Investment Companies	11	0.09	3,138,672	0.38
Medical Aid Schemes	7	0.06	64,203	0.01
Mutual Funds	296	2.34	103,399,352	12.59
Nominees and Trusts	459	3.62	24,244,395	2.95
Other Corporations	45	0.36	696,540	0.08
Own Holdings	4	0.03	2,513,639	0.31
Pension Funds	141	1.11	75,892,299	9.24
Private Companies	173	1.37	752,910	0.09
Public Companies	5	0.04	29,385	0.00
Share Trust	1	0.01	13,525,394	1.65
Total	12,668	100.00	821,532,707	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholders	%	Number of shares	%
Non-public shareholder	8	0.06	16,778,309	2.04
Directors of the Company	4	0.03	742,405	0.09
Share trust	1	0.01	13,525,394	1.65
Own holdings	4	0.03	2,513,639	0.31
Public shareholder	12,660	99.94	804,754,398	97.96
Total	12,668	100.00	821,532,707	100.00

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Shareholders information(continued)

BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE

	Number	
	of shares	%
Government Employees Pension Fund	60,064,445	7.31
VanEck Vectors Gold Miners ETF	58,229,560	7.09
Market Vectors Junior Gold Miners ETF	47,680,319	5.80
LF Ruffer Gold Fund	25,033,854	3.05
Total	191,008,178	23.25

FUND MANAGERS HOLDING 3% OR MORE

	Number	
	of shares	%
VanEck Global	108,078,803	13.16
Public Investment Corporation	60,395,571	7.35
Dimensional Fund Advisors	47,381,918	5.77
Allan Gray	46,788,898	5.70
BlackRock Investment Mgt Index	37,381,006	4.55
Donald Smith & Co	30,918,194	3.76
Vanguard Group	28,561,167	3.48
Ruffer	25,071,444	3.05
Total	384,577,001	46.81

FOREIGN CUSTODIAN HOLDING 3% OR MORE

	Number	
	of shares	%
State Street Bank And Trust	66,729,444	8.12
JPMorgan Chase Bank, National Association	55,141,669	6.71
The Bank of New York Mellon	25,701,766	3.13
Total	147,572,879	17.96

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Glossary of terms

ABET

Adult Basic Education and Training

AISC

All-in sustaining costs. AISC comprises on-site mining costs (on a sales basis); on-site general and administrative costs; royalties and production taxes; realised gains/losses on hedges due to operating costs; community costs related to current operations; permitting costs related to current operations; third-party smelting, refining and transport costs; non-cash remuneration (site-based); stock-piles/product inventory write-down; operational stripping costs; by-product credits; corporate general and administrative costs (including share-based remuneration); reclamation and remediation accretion and amortisation (operating sites); exploration and study costs (sustaining); and capital exploration (sustaining)

AIC

All-in costs. AIC is AISC plus community costs not related to current operations; community costs not related to current operations; reclamation and remediation costs not related to current operations; exploration and study costs (non-sustaining); capital exploration (non-sustaining); capitalised stripping & underground mine development (non-sustaining); and capital expenditure (non-sustaining)

AS/NZ 4801

Australian occupational health and safety management standards

Backfill

Material generally sourced from processing plant mine residues and utilised for the filling of mined voids, to ensure long-term stability of excavations and minimise the effects of seismic activity

BEE

Black Economic Empowerment. BEE seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution

Blasthole

The hole into which a blasting charge is inserted in order to blast loose a quantity of rock

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Borehole or drill hole	Hole bored or drilled in rock, usually to obtain representative samples (see diamond drill)
Box-hole	A cross raise, normally from the access cross-cut to the reef horizon, for the purpose of drawing broken rock and ore from the reef horizon into a conveyance in the cross-cut
Bulk mining	Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being blasted or caved and transported to a processing plant
BVQI	Bureau Veritas Qualite International is a leading global and independent certification body that audits and certifies whether company systems meet the requirements of ISO standards
Carbon-in-leach (CIL)	The recovery process in which gold is leached from gold ore pulp by cyanide and simultaneously adsorbed onto activated carbon granules in the same vessel. The loaded carbon is then separated from the pulp for subsequent gold removal by elution. The process is typically employed where there is a naturally occurring gold adsorbent in the ore
Capital expenditure (or capex)	Specific project or ongoing expenditure for replacement or additional equipment, materials or infrastructure
Carbon-in-pulp (CIP)	The recovery process in which gold is first leached from gold ore pulp by cyanide and then adsorbed onto activated carbon granules in separate vessels. The loaded carbon is then separated from the pulp for subsequent gold removal by elution
Channel	Historic water course into which sediments consisting of gravel and sand are/have been deposited
Collective Bargaining Agreement	Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the Company

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Glossary of terms (continued)

Comminution	The term used to describe the process by which ore is reduced in size in order to liberate the desired mineral from the gangue material in preparation for further processing
Co-morbidity	Medical term for diseases that commonly co-exist, which increase the risk of morbidity
Concentrate	A metal-rich product resulting from a mineral enrichment process such as gravity concentration or flotation, in which most of the desired mineral has been separated from the waste material in the ore
Conglomerate	Sedimentary rocks comprising eroded subangular to rounded pebbles within a finer-grained matrix
Cross-cut	A horizontal underground drive developed perpendicular to the strike direction of the stratigraphy and reef
Cut-off grade	The lowest grade of mineralised ore, which determines whether or not it is economic to mine and send to the processing plant
Decline	An excavation from surface or subsurface, in the form of a tunnel, which is developed downwards
Depletion	The decrease in quantity of ore, in a deposit or property resulting from extraction or mining
Development	Is any tunnelling operation that is developed for either exploration, exploitation or both
Diamond drill	A rotary type of rock drill that cuts a core of rock by diamond bits and is recovered in long cylindrical sections
Dilution	

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	Waste or material below the cut-off grade that contaminates the ore during the course of mining operations and thereby reduces the average grade mined
Dip	Angle of inclination (of a geological feature/rock) from the horizontal
Dyke	Tabular, vertical or near vertical body of igneous rock formed by the intrusion of magma generally into planar structural zones of weakness
Elution	The chemical process of desorbing gold from activated carbon
Facies	The characteristics of a rock unit defined by its composition, lithology, physical properties and geochemical parameters, usually reflecting the conditions of its origin
Fatality rate	Number of deaths normally expressed as a ratio per million man-hours worked
Fault	The surface or plane of a fracture along which movement has occurred
Feasibility study	A comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable) and the factors reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The overall confidence of the study should be stated
Filtration	Process of separating usually valuable solid material from a liquid

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Flotation	The process by which the surface chemistry of the desired mineral particles is chemically modified such that they preferentially attach themselves to bubbles and float to the surface of the pulp in specially designed vessels. The gangue or waste minerals are chemically depressed and do not float, thus allowing the valuable minerals to be concentrated and separated from the undesired material
Footwall	The underlying side of an ore body or stope
Free cash flow margin	The free cash flow (FCF) margin is revenue less cash outflow divided by revenue expressed as a percentage
Gold equivalent	A quantity of metal (such as copper) converted to an amount of gold in ounces, based on accepted gold and other metal prices, ie the accepted total value of the metal based on its weight and value thereof divided by the accepted value of one troy ounce of gold
Grade	The quantity of gold or other metal contained within a unit weight of one metric tonne, generally expressed in grams per metric tonne (g/t) or percent metal per metric tonne (%)
Hanging wall	The overlying side of an ore body or slope
Haulage	A horizontal underground excavation which is used to transport mined ore
Head grade	The grade of the material delivered to the processing facility (such as heap leach pad, mill, etc.) The Mineral Reserve declaration is for material as delivered to the processing facility
Hedging	Taking a buy or sell position in futures market opposite to a position held in the cash/spot market to minimise the risk of financial loss from an adverse price change
Hydrothermal	Process of injection of hot, aqueous, generally mineral-rich solutions into existing rocks or geological features

ICVCT	Informed Consented Voluntary Counselling and Testing
Indicated Mineral Resources	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which may be limited or of uncertain quality and reliability
ISO 14000	International standards for organisations to implement sound environmental management systems

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Glossary of terms (continued)

Lock-up gold

Gold trapped as a temporary inventory within a processing plant, or sections thereof, typically milling circuits

LTIFR

Lost-Time Injury Frequency Rate, expressed in million man-hours worked

Measured Mineral Resource

That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity

Milling

A general term used to describe the process in which the ore is crushed and ground and subjected to physical or chemical treatment to extract the valuable metals to a concentrate or finished product

Mine Health and Safety Act (MHSA)

The South African Mine Health and Safety Act, No 29 of 1996

Mineralised

Rock in which minerals have been introduced

Mineral Reserve

A Mineral Reserve is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project and a life-of-mine plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed

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Mineral Resource	A Mineral Resource is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories
Mining Face	The end of a development end, drift, cross-cut or stope at which work is taking place
Net cash flow	Cash flow from operating activities less net capital expenditure and environmental payments
Normal fault	Fault in which the hanging wall moves downward relative to the footwall, under extensional tectonic conditions
Nugget effect	A measure of the randomness of the grade distribution within a mineralised zone
NUM	National Union of Mine Workers
OHSAS	Management system standards, developed in order to facilitate the integration of quality and occupational health and safety management systems by organisations
Payshoot	Linear to sublinear zone within a reef for which gold grades or accumulations are predominantly above the cut-off grade
Pillar	Rock left behind to help support the excavations in an underground mine
Probable Mineral Reserve	The economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, to a minimum of a pre-feasibility study for a project, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified

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Project capital

Capital expenditure that is associated with specific projects

Proved Mineral Reserve

The economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, to a minimum of a pre-feasibility study for a project, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified

Reef

A general term for metalliferous mineral deposit (gold) within a geological zone or unit

Remuneration Report

The term Executive Directors refers to the CEO and the CFO, who are members of the Board of Gold Fields Limited

The term Executive Committee or Executives refers to the Gold Fields Limited Executive Committee, which for purposes of King IV is the executive management of the Company. The Executive Committee is made up of the CEO, CFO, the Corporate Executive Vice Presidents (EVPs) and the Regional EVPs

Corporate EVPs refers to those members of the Executive Committee who are based at the Corporate Office of the Company based in Sandton, Johannesburg, South Africa

Regional EVPs are those members of the Executive Committee who are heads of their respective regions, namely South Africa, West Africa, Americas and Australia

LTIP Long-Term Incentive Plan

LTI Long-Term Incentive

MSR Minimum Shareholding Requirements

STI Short Term Incentive Plan

RemCo Remuneration Committee

BSC Balance Scorecard

GRP Gross Remuneration Package

BRP Base Rate of Pay

MSR Minimum Shareholding Requirement

RexCo Regional Executive Committee

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	EVP Executive Vice President
	ROE Rate of exchange
	CEO Chief Executive Officer
	CFO Chief Financial Officer
	TSR Absolute and Relative Total Shareholder Return
	FCFM Free Cash-Flow Margin
	ExCo Executive Committee
	NED Non-Executive Director
SADC	Southern African Development Community
SAMREC Code	The South African code for the Reporting of Exploration results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2016 Edition
Seismic	Earthquake or earth vibration including those artificially induced by mining operations
Shaft	An opening cut downwards from the surface for transporting personnel, equipment, supplies, ore and waste
Shear	A deformation resulting from stresses that cause contiguous parts of a body of rock to slide relative to each other in a direction parallel to their plane of contact
Stope	The working area from which ore is extracted in an underground mine
Stripping	The process of removing overburden or waste rock to expose ore
Stripping ratio	The ratio of waste tonnes to ore tonnes mined, calculated as total tonnes mined less ore tonnes mined, divided by ore tonnes mined
Stratigraphy	The science of rock strata, including arrangement according to geographical location lithological composition, geophysical and geochemical and chronological order of sequence
Strike	Direction or trend of geological structures such as bedding or fault planes defined by the intersection with the horizontal plane and is always perpendicular to the dip direction

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Glossary of terms (continued)

Subvertical shaft	An opening cut below the surface downwards from an established surface shaft
Surface sources	Ore sources, usually dumps, tailings dams and stockpiles, located at the surface
TEBA	The Employment Bureau of Africa
Tertiary shaft	An opening cut below the surface downwards from an established subvertical shaft
Trade union	An association of employees whose principal purpose is to regulate relations between employees and the Company, which has been registered; whose officials have been elected to represent the interests of employees within the workplace; and which is recognised for collective bargaining by the Company

Abbreviations and units

ABET	Adult Basic Education and Training
ADS	American Depository Shares
AIDS	Acquired Immune Deficiency Syndrome
ARC	Assessment and Rehabilitation Centres
ART	Antiretroviral therapy

A\$	Australian Dollar
CBO	Community-based organisation
CIL	Carbon-in-leach
CIP	Carbon-in-pulp
CIS	Carbon-in-solution
DCF	Discounted cash flow
ETF	Exchange-traded fund
GFHS	Gold Fields Health Service
GFLC	Gold Fields La Cima
GRI	Global Reporting Initiative
HBC	Home-based care
HDSA	Historically disadvantaged South African
HIV	Human immunodeficiency virus
LoM plan	Life-of-mine plan
LTIFR	Lost-Time Injury Frequency Rate, quoted in million man-hours
MCF	Mine Call Factor
NGO	Non-governmental organisation
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
OHC	Occupational Health Centre
OT	Occupational therapy
PHC	Primary health clinic

PPI	Producer price index
SAMREC	South African code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves

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SEC	United States Securities Exchange Commission
STI	Sexually transmitted infection
TB	Tuberculosis
TEC	Total employees costed
UASA	United Association of South Africa (a labour organisation)
VCT	Voluntary counselling and testing (for HIV)
cm	centimetre
cm.g/t	gold accumulation
g	gram
g/t	grams per metric tonne gold or silver grade
ha	hectare
kg	kilogram
km	kilometre
koz	thousand ounces

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kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
ktpm	thousand metric tonnes per month
m²	square metre
Moz	million ounces
oz	fine troy ounce equalling 31.10348 grams
R	South African Rand
R/kg	South African Rand per kilogram
Rm	million South African Rand
R/t	South African Rand per metric tonne
t	metric tonne
US\$	United States Dollar
US\$m	million United States Dollar
US\$/oz	United States Dollar per ounce

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Glossary of terms Sustainable Development

SUSTAINABLE DEVELOPMENT

United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating 10 principles in the areas of human rights, labour, the environment and anti-corruption. www.unglobalcompact.org

Global Reporting Initiative (GRI) produces one of the world's most prevalent standards for sustainability reporting. www.globalreporting.org

ICMM (International Council on Mining and Metals) CEO-led organisation of mining companies that seeks to continually entrench best practice with regard to sustainable development and to provide a platform for member companies to share experiences. www.icmm.com

HEALTH, SAFETY AND WELLBEING

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

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.

A **Restricted Work Injury (RWI)** is a work-related injury sustained by an employee or contractor which requires medical treatment and results in the employee or contractor being unable to perform one or more of their 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.

A **Medically Treated Injury (MTI)** is a work-related injury sustained by an employee or contractor which does not incapacitate that employee 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.

OHSAS 18001 An international voluntary standard for occupational health and safety management systems. As with other standards, it is based on the identification and control of risks and monitoring of business performance against these.

Noise-Induced Hearing Loss (NIHL) is a disorder that results from exposure to high-intensity sound, especially over a long period of time.

Silicosis is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in the form of nodular lesions in the upper lobes of the lungs.

Chronic Obstructive Airway Disease (COAD) refers to chronic bronchitis and emphysema, a pair of commonly co-existing diseases of the lungs in which the airways become narrowed.

Highly active antiretroviral therapy (HAART) Treatment of people infected with HIV, to suppress the growth of HIV, the retrovirus responsible for AIDS. The standard treatment consists of a combination of at least three drugs.

ENVIRONMENT

ISO 14001 an international voluntary standard for environmental management systems. This is one standard in the ISO 14000 series of international standards on environmental management.

Environmental incidents these are incidents that are classified in accordance with a system designed by Gold Fields (based on the GRI definition) that classifies the incident based on its severity. Incidents are classified as follows:

Not classified Incidents below the level 1 classification threshold and with no environmental impact: No classification or administrative action required, but it can be logged.

Level 1 environmental incident Incident that involves minor non-conformance that results in minimal or no environmental impact.

Level 2 environmental incident Incident that involves minor non-conformance that results in short-term, limited and non-ongoing adverse environmental impacts.

Level 3 environmental incident Incident that results in limited non-conformance or non-compliance. The non-compliance results in ongoing (as per the timeframes defined in Gold Fields Guidelines), but limited environmental impact.

Level 4 environmental incident Incident resulting in significant non-conformance or non-compliance with significant short-term or medium-term environmental impact. Such events are likely to be operation-threatening in isolation and cumulatively (i.e. if the incidents are repeated) is very likely to threaten a licence to operate or social licence to operate. In addition, such incidents also have the potential to cause reputational damage.

Level 5 environmental incident Incident that results in major non-conformance or non-compliance. The non-compliance or non-conformance results in either catastrophic short-term impact or medium to long-term environmental impact. Company or operation threatening implications and potential major damage to the Company's reputation are almost inevitable.

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WATER MANAGEMENT

Water withdrawal: The sum of all water drawn into Gold Fields operations from all sources for any use/impact.

Recycled water: Processing used water/waste water through the same or another cycle at the same facility. The water/ waste water is treated before being recycled and reused.

Reused water: Water/waste water that is reused without treatment at the same facility or at another of Gold Fields operations.

Percentage of water recycled or reused: Water recycled/reused/total water used in process 5×100 .

Total water used in process: Water withdrawal + water recycled/reused.

Acid mine drainage (AMD) or acid rock drainage (ARD), collectively called acid drainage (AD) is formed when certain sulphide minerals in rocks are exposed to oxidising conditions, such as the presence of oxygen, combined with water. AD can occur under natural conditions or as a result of the sulphide minerals that are exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

SUPPLY CHAIN MANAGEMENT AND MATERIAL STEWARDSHIP

International Cyanide Management Code (ICMC) is a voluntary industry programme for the manufacture, transport and use of cyanide in gold production. It focuses on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the Code must have their mining operations that use cyanide to recover gold audited by an independent third party to determine the status of Code implementation, and must use certified manufacturers and transporters.

SOCIAL RESPONSIBILITIES

Socio-economic development spend (SED) Payments made to communities and community investments that are not inherent to the functioning of the operation. This may include payments related to infrastructure, health and well-being, education and training, local environment, scholarships and donations. This definition is aligned to the World Gold Council (WGC) definition.

Host communities are identified by each operation for the purpose of securing our mining licences both legal and social. These communities are directly affected by and have an expectation regarding our activities.

Local Economic Development (LED) refers to initiatives and monies disbursed to uplift socio-economic conditions in the communities in which we operate, in particular job creation and enterprise development.

OUR PEOPLE

HDSA Historically disadvantaged South Africans.

ENERGY AND CARBON MANAGEMENT

Greenhouse gas emission (GHG emission) Gas which absorbs outgoing terrestrial radiation, such as methane, CFCs and carbon dioxide.

Scope 1 carbon dioxide equivalent (CO₂e) emissions are those directly occurring from sources that are owned or controlled by the institution, including: on-site stationary combustion of fossil fuels; mobile combustion of fossil fuels by company-owned/controlled vehicles; and fugitive emissions. Fugitive emissions result from intentional or unintentional releases of GHGs.

Scope 2 CO₂e emissions are indirect emissions generated in the production of electricity purchased by the company.

Scope 3 CO₂e emissions are all the other indirect emissions that are a consequence of the activities of the institution, but occur from sources not owned or controlled by the institution such as commuting, air travel, waste disposal; embodied emissions from extraction, production and transportation of purchased goods; outsourced activities; contractor-owned vehicles; and line loss from electricity transmission and distribution.

Equivalent carbon dioxide (CO₂e) measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO₂) as the reference.

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Administration and corporate information

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AMERICAN DEPOSITORY RECEIPTS

TRANSFER AGENT

Shareholder correspondence should be mailed to:

BNY Mellon Shareowner Services

PO Box 30170

College Station, TX 77842-3170

Overnight correspondence should be sent to:

BNY Mellon Shareowner Services

211 Quality Circle, Suite 210

College Station, TX 77845

e-mail: shrrelations@cpushareownerservices.com

Phone numbers

Tel: 888 269 2377 Domestic

Tel: 201 680 6825 Foreign

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J.P. Morgan Equities South Africa Proprietary Limited

Gold Fields Limited

Incorporated in the Republic of South Africa

Registration number 1968/004880/06

Share code: GFI

Issuer code: GOGOF

ISIN ZAE 000018123

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Tel: 0871 664 0300

Calls cost 12p per minute plus your phone company's access charge.

If you are outside the United Kingdom,
please call +44 371 664 0300.

Calls outside the United Kingdom will be charged at the applicable international rate.

The helpline is open between 9:00am – 5:30pm. Monday to Friday excluding public holidays in England and Wales.

e-mail: enquires@linkgroup.co.uk

Website

WWW.GOLDFIELDS.COM

Listings

JSE / NYSE / GFI

SIX: GOLI

CA Carolus[°] (*Chair*) RP Menell[°] (*Deputy Chair*) NJ Holland* (*Chief Executive Officer*) PA Schmidt (*Chief Financial Officer*)

A Andani^{#°} PJ Bacchus[°] TP Goodlace[°] C Letton [°] P Mahanyele-Dabengwa* SP Reid [°] YGH Suleman[°]

Australian * British[#] Ghanaian

[°] Independent Director Non-independent Director

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Table of Contents**FURTHER INFORMATION****KEY INFORMATION****Selected Historical Consolidated Financial Data**

The selected historical consolidated financial data for fiscal 2015 and 2014 and as of 31 December 2015 and 2014 has been derived from Gold Fields' audited consolidated financial statements, which are not included in this annual report. The selected historical consolidated financial data presented below have been derived from consolidated financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The Other Operating Data presented has been calculated as described in the footnotes to the table below:

Consolidated Income Statement Data

	Fiscal Period Ended 31 December				
	2018	2017	2016	2015	2014
	<i>(\$ million, unless otherwise stated)</i>				
Revenue	2,577.8	2,761.8	2,666.4	2,454.1	2,762.6
Cost of sales	(2,043.0)	(2,105.1)	(2,001.2)	(1,988.5)	(2,249.5)
Investment income	7.8	5.6	8.3	6.3	4.2
Finance expense	(88.0)	(81.3)	(78.1)	(82.9)	(98.2)
Gain/(loss) on financial instruments	21.0	34.4	14.4	(4.5)	(11.0)
Foreign exchange gain/(loss)	6.4	(3.5)	(6.4)	9.5	8.4
Other costs, net	(44.8)	(19.0)	(16.8)	(21.7)	(61.0)
Share-based payments	(37.5)	(26.8)	(14.0)	(10.7)	(25.5)
Long-term incentive plan	(1.1)	(5.0)	(10.5)	(5.1)	(8.3)
Exploration expense	(104.2)	(109.8)	(86.1)	(51.8)	(45.4)
Share of results of equity-accounted investees net of taxation	(13.1)	(1.3)	(2.3)	(5.7)	(2.4)
Restructuring costs	(113.9)	(9.2)	(11.7)	(9.3)	(41.0)
Silicosis settlement costs	4.5	(30.2)			
Gain on acquisition of Asanko	51.8				
Impairment, net of reversal of impairment of investments and assets	(520.3)	(200.2)	(76.5)	(206.9)	(26.7)
Profit on disposal of investments			2.3	0.1	0.5
Profit on disposal of Chucapaca					4.6
(Loss)/profit on disposal of assets	(51.6)	4.0	48.0	(0.1)	(2.0)
(Loss)/profit before royalties and taxation	(348.2)	214.4	435.8	82.8	209.3
Royalties	(62.5)	(62.0)	(78.4)	(73.9)	(83.4)
(Loss)/profit before taxation	(410.7)	152.4	357.4	8.9	125.9
Mining and income taxation	65.9	(173.2)	(189.5)	(248.5)	(114.1)
(Loss)/profit from continuing operations	(344.8)	(20.8)	167.9	(239.6)	11.8
		13.1	1.2	(8.2)	(2.1)

Profit/(loss) from discontinued operations, net of
taxation

(Loss)/profit for the year	(344.8)	(7.7)	169.1	(247.8)	9.7
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	Fiscal Period Ended 31 December				
	2018	2017	2016	2015	2014
	<i>(\$ million, unless otherwise stated)</i>				
(Loss)/profit attributable to:					
Owners of the parent	(348.2)	(18.7)	158.2	(247.3)	2.1
Continuing operations	(348.2)	(31.8)	157.0	(239.1)	4.2
Discontinued operations		13.1	1.2	(8.2)	(2.1)
Non-controlling interests	3.4	11.0	10.9	(0.5)	7.6
Continuing operations	3.4	11.0	10.9	(0.5)	7.6
	(344.8)	(7.7)	169.1	(247.8)	9.7
(Loss)/earnings per share attributable to owners of the parent:					
Basic (loss)/earnings per share from continuing operations cents	(42)	(4)	19	(31)	1
Basic earnings/(loss) per share from discontinued operations cents		2		(1)	
Diluted basic (loss)/earnings per share from continuing operations cents	(42)	(4)	19	(31)	1
Diluted basic earnings/(loss) per share from discontinued operations cents		2		(1)	
Dividends per share (Rand)	0.70	1.00	0.71	0.24	0.42
Dividends per share (\$)	0.06	0.08	0.05	0.02	0.04
Other Operating Data Continuing Operations					
All-in-sustaining costs net of by-product revenue per ounce of gold sold ⁽¹⁾	981	945	972	1,005	1,046
All-in-cost net of by-product revenue per ounce of gold sold ⁽¹⁾	1,173	1,081	998	1,025	1,081

Note:

- (1) Gold Fields has calculated AISC net of by-product revenue per ounce of gold sold by dividing total AISC net of by-product revenue, as determined using the guidance provided by the WGC, by only gold ounces sold. Total AISC costs, as defined by the WGC, are cost of sales before gold inventory change and amortisation and depreciation (See *Annual Financial Report Notes to the consolidated financial statements Note 2. Cost of sales*) excluding amortisation and depreciation plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. The value of by-product revenues (i.e. silver and copper) is deducted from cost of sales excluding amortisation and depreciation as it effectively reduces the cost of gold production. The AIC net of by-product revenue starts with AISC costs net of by-product revenue and adds additional costs which relate to the growth of the Group, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations. AISC costs and AIC are reported on a per ounce of gold basis, net of by-product revenues (as per the WGC definition), as well as on a per ounce of gold equivalent basis, gross of by-product revenues. Changes in total AISC and AIC per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the Australian dollar compared with the U.S. dollar. Total AISC and all-in cost per ounce are non-IFRS measures which are reconciled to IFRS in management's discussion and analysis of the financial statements. Management, however, believes that total AISC cost and total all-in cost per ounce will be helpful to investors, governments,

local communities and other stakeholders in understanding the economics of gold mining.

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	Fiscal Period Ended 31 December				
	2018	2017	2016	2015	2014
	<i>(\$ million, unless otherwise stated)</i>				
Assets					
Non-Current assets	5,183.2	5,505.7	5,258.8	4,952.8	5,754.0
Property, plant and equipment	4,259.2	4,892.9	4,524.6	4,295.6	4,884.8
Goodwill		76.6	317.8	295.3	385.7
Inventories	133.3	132.8	132.8	132.8	132.8
Equity accounted investees	225.1	171.3	170.7	129.1	252.4
Investments	235.3	104.6	19.7	10.9	5.5
Environmental trust funds	60.8	55.5	44.5	35.0	30.4
Deferred taxation	269.5	72.0	48.7	54.1	62.4
Current assets	921.1	1,114.4	1,052.7	908.1	1,092.8
Inventories	368.2	393.5	329.4	298.2	368.3
Trade and other receivables	153.2	201.9	170.2	168.9	226.5
Cash and cash equivalents	399.7	479.0	526.7	440.0	458.0
Assets held for sale		40.0	26.4	1.0	40.0
Total assets	6,104.3	6,620.1	6,311.5	5,860.9	6,846.8
Equity and Liabilities					
Equity attributable to owners of the parent	2,586.1	3,275.8	3,050.7	2,644.4	3,531.2
Stated capital	3,622.5	3,622.5			
Share capital			59.6	58.1	57.9
Share premium			3,562.9	3,412.9	3,412.9
Other reserves	(2,110.3)	(1,817.8)	(2,124.4)	(2,260.2)	(1,636.5)
Retained earnings	1,073.9	1,471.1	1,552.6	1,433.6	1,696.9
Non-controlling interest	120.8	127.2	122.6	111.9	124.5
Total equity	2,706.9	3,403.0	3,173.3	2,756.3	3,655.7
Non-current liabilities	2,781.9	2,363.1	2,278.8	2,540.5	2,478.0
Deferred taxation	454.9	453.9	458.6	482.2	383.7
Borrowings	1,925.3	1,587.9	1,504.9	1,761.6	1,765.7
Provisions	319.5	321.3	291.7	284.1	320.3
Finance lease liabilities	80.1				
Long-term incentive plan	2.1		23.6	12.6	8.3
Current liabilities	615.5	854.0	859.4	564.1	713.1
Trade and other payables	503.0	548.5	543.3	427.6	509.7
Royalties payable	12.5	16.3	20.2	18.5	20.4
Taxation payable	5.2	77.5	107.9	59.3	37.8
Current portion of borrowings	86.3	193.6	188.0	58.7	145.2

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Current portion of finance lease liabilities					
Current portion of long-term incentive plan		18.1			
Total liabilities	3,397.4	3,217.1	3,138.2	3,104.6	3,191.1
Total equity and liabilities	6,104.3	6,620.1	6,311.5	5,860.9	6,846.8
Equity attributable to owners of the parent	2,586.1	3,275.8	3,050.7	2,644.4	3,531.2
Net Debt	1,611.9	1,302.5	1,166.2	1,380.3	1,452.9
Number of ordinary shares as adjusted to reflect changes in capital structure (including treasury shares)	821,532,707	820,614,217	820,606,945	777,450,492	772,272,821

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RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on Gold Fields' business, financial condition or results of operations, resulting in a decline in the trading price of Gold Fields' ordinary shares or ADSs. The risks set forth below comprise all material risks currently known to Gold Fields. These factors should be considered carefully, together with the information and financial data set forth in this document.

Gold Fields has experienced, and may continue to experience, difficulties, delays, costs or labour actions in relation to its restructuring plan at the South Deep operation in South Africa.

South Deep has had a number of operational challenges since Gold Fields acquired it in 2006. The key challenge has been the difficulty in transitioning the mine from one run with a conventional mining mindset and practices to mining with a modern, bulk, mechanised mining approach. South Deep (which represented 59 per cent. of Gold Fields mineral reserves as at 31 December 2018) is a complex and unique mine, that has faced persistent issues that needed to be addressed in a holistic manner, which include:

Rising operating and overhead costs not aligned with the profile of a high-volume, medium-grade operation or with output levels;

Poorly defined execution tactics that lead to consistent failure to meet mining and production targets;

Unique and complex mining method, long hole stoping mining at 3,000m with attendant challenging geotechnical and ground conditions requiring extensive support;

Extensive infrastructure and support services required to underpin mining activities, which continued to operate sub-optimally impacting backfill and stope turn over;

Poor equipment reliability, aging infrastructure and productivity impacted by poor maintenance practices and operational conditions;

An operation staffed and resourced for a much higher production rate than has been achieved;

Health and safety issues regarding the protection of employees; and

Overall labour productivity significantly below industry average.

Despite numerous interventions to address these challenges, including optimising the mining method, extensive training and skills development, changing shift and work configurations, and outsourcing functions, the mine continued to make losses (R3.0 billion (U.S.\$227 million) in 2018). As at 31 December 2018, Gold Fields had

invested a total of approximately R34.5 billion (including the R22.3 billion acquisition cost) since acquiring the mine in 2006. Management believed that the mine could no longer sustain these cash losses and that the cost structure needed to be realigned with the lower level of production.

During the first quarter of 2018, South Deep completed phase 2 of its organisational restructuring plan, focusing on the lower levels of the organisation, through a voluntary retrenchment programme, which resulted in 261 employees leaving the company. This followed the restructuring in the fourth quarter of 2017 (phase 1) at the more senior levels of the business, which comprised a 25 per cent. reduction (47 employees) in the management level.

Although this restructuring was mostly voluntary in nature, it nonetheless had a significant negative impact on morale and consequently productivity and output during 2018. In addition, continued low mobile equipment reliability and productivity, the intersection of active geological features (faults and dykes) in the high-grade corridor 3 and poor ground conditions in the composites (far western part of the orebody) slowed production rates.

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These challenges resulted in an underperformance on development and destress mining and impacted stope availability and output, which was also adversely affected as a result of slow ore loading and backfilling. These challenges not only impacted the mine's 2018 performance, but the knock-on effects are expected to carry through into 2019 and beyond. Despite the phase 1 and phase 2 restructuring, South Deep continued to face a number of organisational and structural challenges that directly impact both short and consequently long-term performance. The mine did not experience improvement in 2018 post the phase 1 and 2 restructuring and shift changes, with production lower at 4,885kg (157,100koz) from 8,748kg (281,300koz) in 2017. Similarly, the cash burn continued in 2018 at R1,891m (U.S.\$141m) compared to R804m (U.S.\$60m) in 2017.

On 14 August 2018, the company proposed to suspend mining activities in loss making areas of the mine and reduce operational and support staff commensurately, as well as suspend development activities in a new mining area. Both trade unions at the mine were served with section 189 retrenchment notices in terms of the Labour Relations Act on 14 August 2018, which commenced a 60-day consultation period. Progress with the majority union, the National Union of Mineworkers (NUM), was slow and confrontational during the consultation period and was characterised by a lack of consensus. The consultation period ended on 30 October 2018. The NUM branch at South Deep commenced a strike action on 2 November 2018 to protest the retrenchments and used violence and intimidation to block access illegally to the mine. This prevented South Deep from producing during the strike, though critical essential services were maintained. The mine experienced a cash burn of around R6m per day during the strike. On 13 December 2018, NUM called off the strike ahead of the signing of a formal settlement agreement between the company and NUM on 21 December 2018. As part of the settlement agreement, the retrenchments of 1,082 employees continued, with most of these retrenchments having already been processed. Retrenched employees were offered portable skills training to assist in their future job searches. To alleviate the financial burden of employees who were on the no-work no-pay strike, South Deep agreed to deduct the lost earnings over four months and to pay all non-management employees who returned to work by 15 December 2018 an ex-gratia payment of 20 per cent. of basic pay. Employees could also earn back part of the lost earnings based upon monthly gold production targets being exceeded in January and February 2019. Also, as part of the settlement agreement, the parties agreed to renegotiate and modernise the collective and other agreements, which govern the working relationship between the two parties, and to engage in a facilitated relationship building programme to address the difficult relationship between the NUM branch leadership and management.

Failure by South Deep to address any of the issues noted above in an increasingly complex social-political landscape may result in the operation not achieving its expected production level or the reduced costs contemplated by the restructuring in a timely manner or at all. The actions taken by South Deep to address these issues may not yield the expected results. In addition, further strike action by employees or contractors at South Deep, as well as low morale, may have a negative impact on production levels, costs and the achievement of the targets of the restructuring plan. Any of the above could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Changes in the market price for gold, and to a lesser extent copper, which in the past have fluctuated widely, affect the profitability of Gold Fields' operations and the cash flows generated by those operations.

Gold Fields' revenues are primarily derived from the sale of gold that it produces. The Group's policy is to not engage in long-term systemic gold price hedging, though hedges are sometimes undertaken to protect cash flows at times of significant expenditure, for specific debt servicing requirements and to safeguard the viability of higher cost operations. For example, during 2018, the Company undertook short-term, tactical hedging of the oil price, the copper price and the U.S. and Australian Dollar gold prices to protect cash-flow primarily due to the high levels of project capital expenditure incurred during 2018 and the volatility in commodity prices and exchange rates. The Company has continued with the gold hedging policies in Australia during 2019 and has also extended them to the Rand gold price

to protect South Deep's cash-flow. Altogether, approximately 1 million oz of gold production for 2019 has been hedged. There can be no assurance that the use of hedging techniques will always be to our benefit. Hedging instruments that protect against the market price volatility of commodities, for

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example, oil, may prevent us from realising the full benefit from subsequent decreases in market prices with respect to oil, which would cause us to record a mark-to-market loss, thus decreasing our profits. Similarly, gold hedging instruments may prevent us from realising the full benefit of subsequent increases in the gold price. Hedging contracts also are subject to the risk that the other party may be unable or unwilling to perform its obligations under these contracts. Any significant non-performance could have a material adverse effect on our financial condition, results of operations and cash flows.

Where no hedges are in place, Gold Fields is exposed to changes in the gold price, which could lead to reduced revenue should the gold price decline. After falling 45 per cent. between September 2011 and December 2015, when it hit a low of U.S.\$1,060 per ounce, the gold price recovered in fiscal 2017 hitting U.S.\$1,300 per ounce, before slightly declining again to U.S.\$1,280 per ounce at the end of fiscal 2018. As at 22 March 2019, it was U.S.\$1,311 per ounce, as trading in the metal remains volatile amid global political and economic uncertainties. See *Annual Financial Report Notes to the consolidated financial statements Note 38. Risk management activities*. The market price for gold has historically been volatile and is affected by numerous factors over which Gold Fields has no control, such as general supply and demand, speculative trading activity and global economic drivers.

Should the gold price decline below Gold Fields' production costs, it may experience losses and should this situation continue for an extended period, Gold Fields may be forced to curtail or suspend some or all of its growth projects, operations and/or reduce operational capital expenditures. Gold Fields might not be able to recover any losses it incurred during, or after, such events. A sustained period of significant gold price volatility may impact Gold Fields' ability to continue with existing operations or make other long-term strategic decisions. Furthermore, while depressed gold prices generally provide an opportunity to acquire assets at lower prices, the few quality in-production assets then demand premium prices, adversely affecting Gold Fields' ability to undertake new capital projects. The use of lower gold prices in reserve calculations and life of mine plans could also result in material impairments of Gold Fields' investment in mining properties or a reduction in its reserve estimates and corresponding restatements of its reserves and increased amortisation, reclamation and closure charges.

In Peru, copper accounts for a significant proportion of the revenues at Gold Fields' Cerro Corona mine, although copper is not a major element of Gold Fields' overall revenues. Over the period from 2011 to 2018, the price of copper has declined from an average price of U.S.\$8,836 per tonne to an average price of U.S.\$6,547 per tonne. As at 22 March 2019, the price of copper was U.S.\$6,375 per tonne. A variety of factors have and may depress global copper prices and a decline in copper prices, which have also fluctuated widely, would adversely affect the revenues, profit and cash flows of the Cerro Corona mine.

Because gold is sold in U.S. dollars, while a significant portion of Gold Fields' production costs are in Australian dollars, Rand and other non-U.S. dollar currencies, Gold Fields' operating results and financial condition could be materially harmed by a material change in the value of these non-U.S. dollar currencies.

Gold is sold throughout the world in U.S. dollars. Gold Fields' costs of production are incurred principally in U.S. dollars, Australian dollars, Rand and other currencies. Recent volatility in the Rand (including significant depreciation of the Rand against the U.S. dollar in fiscal 2014 and 2015 before strengthening again in fiscal 2016 and 2017 followed by depreciation in fiscal 2018) and the Australian dollar against the U.S. dollar (including volatility throughout fiscal 2016 followed by a recovery in fiscal 2017 before depreciating in fiscal 2018) made our reported costs in South Africa and Australia and results of operations less predictable than when exchange rates are more stable. As a result, any significant and sustained appreciation of any of these non-U.S. dollar currencies against the U.S. dollar may materially increase Gold Fields' costs in U.S. dollar terms, and increase costs in Rand or Australian dollar terms, which could materially adversely affect Gold Fields' business, operating results and financial condition.

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Conversely, inflation in any of the countries in which it operates could increase the prices Gold Fields pays for products and services and could have a material adverse effect on Gold Fields' business, operating results and financial condition if not offset by increased gold prices.

Gold Fields is subject to various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on Gold Fields' operations and profits.

In recent years, governments (often with support from communities, non-governmental organisations (NGOs) and/or trade unions) in several jurisdictions have sought and, in some cases, have implemented greater cost imposts on the mining industry, including through the imposition of additional taxes and royalties. Such resource nationalism, whether in the form of cost imposts, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation, could impact the global mining industry and Gold Fields' business, operating results and financial condition.

In December 2017, during the African National Congress's (ANC) national conference, the ANC resolved that, as a matter of policy, the ANC should pursue the expropriation of land without compensation, provided that such expropriation is carried out without destabilising the agricultural sector, endangering food security or undermining economic growth and job creation. On 27 February 2018, the National Assembly assigned the Constitutional Review Committee (CRC) to review section 25 of South Africa's Constitution and other relevant clauses to make it possible for the state to expropriate land in the public interest without compensation. On 4 December 2018, Parliament adopted the CRC's report dated 15 November 2018 in which it recommended that section 25 of South Africa's Constitution be amended to make explicit that expropriation of land without compensation is a legitimate option for land reform. While the CRC's report recommended that such amendment to South Africa's Constitution be tabled and passed before the South African general elections in May 2019, the ad hoc committee responsible for preparing the bill to amend South Africa's Constitution has not yet submitted a timeline for meetings or public hearings. On 13 March 2019, the CRC announced that the work to amend section 25 of South Africa's Constitution will not be finished before the South African general elections in May 2019 and that the new Parliament will be tasked to take up this matter after the elections are complete.

The Mineral and Petroleum Resources Development Act, 2002 (MPRDA) provides a statutory right of access for the mining right holder to the mining area for the purposes of conducting mining operations and does not require the holder to own the land on which it conducts operations. Once a mining right is granted, a landowner cannot refuse a lawful mining right holder the right to conduct its mining operations. In addition, the landowner is not entitled to compensation from the mining right holder for the use of the land for mining operations conducted in terms of the MPRDA.

The proposed amendment to section 25 of South Africa's Constitution or any related expropriation legislation resulting in the expropriation of land on which Gold Fields operates or relies on would disrupt operations, which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

In South Africa, the President appointed the Davis Tax Committee to look into and review the current mining tax regime. The committee's first interim report on mining, which was released for public comment on 13 August 2015, proposed no changes to the royalty regime but recommended the discontinuation of the upfront capital expenditure write-off regime in favour of an accelerated capital expenditure depreciation regime. In addition, the report recommended retaining the so-called 'gold formula' for existing gold mines only, as new gold mines would be unlikely to be established in circumstances where profits are marginal or where gold mines would conduct mining of the type intended to be encouraged by the formula. The committee also recommended the phasing out of additional capital allowances available to gold mines in order to bring the gold mining corporate income tax regime in line with the tax

system applicable to all taxpayers. For a description of the gold formula, see *Annual Financial Report Management's Discussion and Analysis of the Financial Statements Income and Mining Taxes South Africa* . On 12 December 2016, following a period of public comment, the

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committee issued its second and final report to the Minister of Finance, which largely reaffirmed its initial recommendations. The final reports were published on 13 November 2017. The South African National Treasury will continue to consider the committee's final recommendations. It is not clear at this stage which, if any, of the recommendations will be adopted as legislation.

In Ghana, the ownership of land on which there are mineral deposits is separate from the ownership of the minerals. On 1 January 2017, in line with the development agreement concluded between Gold Fields and the government of Ghana (the Development Agreement), Gold Fields' royalty rate changed from a flat 5 per cent. of revenue to a sliding scale royalty based on the price of gold, starting at a rate of 3 per cent. on a gold price below U.S.\$1,300 per ounce. The Development Agreement also resulted in a reduction in the corporate tax rate from 35 per cent. to 32.5 per cent., effective 17 March 2016. The government of Ghana has a right to obtain a 10 per cent. free-carried interest in mining leases. In addition, stool/land rents of approximately U.S.\$3 to U.S.\$3.2 per acre are (depending on the exchange rate) payable to the government of Ghana. On 31 July 2018, the Ghanaian government delivered a letter to the Ghanaian Chamber of Mines (the Chamber) indicating that the government intends to enforce the purchase of 30 per cent. of gold produced in the country by the government. It is unclear what effect this action will have at this stage. See

Environmental and Regulatory Matters Ghana Mineral Rights .

In Peru, the general corporate income tax rate was increased from 28 per cent. to 29.5 per cent. with effect from 1 January 2017. In turn, the dividends income tax rate applicable to non-resident shareholders has reduced from 6.8 per cent. to 5 per cent. Since July 2012, mining companies have also been required to pay an annual supervisory contribution to the Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*, or the OSINERGMIN), as well as to the Assessment and Environment Supervising Agency (*Organismo de Evaluación y Fiscalización Ambiental*, or the OEFA). See *Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges* . In 2017, the legal stability agreements executed by each of Gold Fields La Cima S.A. (La Cima) and Gold Fields Corona (BVI) Limited (GFC) with the Peruvian government in 2007 expired. These agreements locked-in certain existing specific legal regimes for both companies, such as the income tax regime, among others. With regards to GFC, its legal stability agreement was applicable to dividend or profit distribution and also protected GFC from the imposition of any new taxes other than income tax that affects dividends or profits.

In addition, a consultation law was enacted on 7 September 2011, requiring the government to consult with indigenous or native populations on legislative or administrative proposals that may have an impact on their collective rights. See

Environmental and Regulatory Matters Peru Mining Royalty and Other Special Mining Taxes and Charges .

Australia operates a state-based royalty regime, and a Federal income tax regime. Each of Gold Fields' Australian mines are in the State of Western Australia, which imposes a 2.5 per cent. royalty on the value of gold produced. In the 2017 State Budget, the Western Australian government announced an increase to the mineral royalty rate for gold to 3.75 per cent. This proposal was met with significant co-ordinated opposition by the gold industry and was not successfully passed by the Legislative Council in either the first or second attempt by the Government of Western Australia (State Government). The 2018-2019 State Budget did not allow for an increase in the royalty on gold, maintaining the existing rate of 2.5 per cent. However, the Treasurer has not ruled out the possibility of further royalty changes, and the risk remains that the State Government will seek to impose increases during the current term of office (to 2021).

The Australian Federal government levies a corporate income tax at the rate of 30 per cent., or 27.5 per cent. for base rate entities. Additionally, integrity measures have been passed by Parliament effective from 1 July 2017 to ensure that the lower corporate tax rate will be limited to only those companies with no more than 80 per cent. passive income. Furthermore, there is currently a proposal to reduce the corporate tax rate to 25 per cent. over time. The law

will permit a reduction in the tax rate for base rate entities to 26 per cent. for the income year ending in 2021 and to 25 per cent. for the income year ending in 2022 and later. The Australian Federal

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government has abandoned its proposal to reduce the corporate tax rate from 30 per cent. to 25 per cent. for other corporate entities.

The effect of these, or impositions of additional restrictions, obligations, operational costs, taxes or royalty payments could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.

Gold Fields' right to own and exploit mineral reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of Gold Fields' reserves and deposits are located in countries where mining rights could be suspended or cancelled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In all of the countries where Gold Fields operates, the formulation or implementation of governmental policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and, in extreme cases, nationalisation, expropriation or nullification of existing rights, concessions, licences, permits, agreements and contracts.

The Mining Charter and the Amended Mining Charter

Gold Fields' operations in South Africa are subject to legislation regulating the exploitation of mineral resources through the granting of rights required to prospect and mine for minerals. This includes broad-based black economic empowerment (BBBEE), legislation designed to effect the entry of historically disadvantaged South Africans (HDSAs) into the mining industry and to increase their participation in the South African economy.

Gold Fields' South African operation is subject to the MPRDA, which came into effect on 1 May 2004 and transferred ownership of mineral resources to the South African people, with the South African government acting as custodian thereof in order to, among other things, promote equitable access to the nation's mineral resources by South Africans, expand opportunities for HDSAs who wish to participate in the South African mining industry and advance social and economic development. As custodian, the South African government exercises regulatory control over the exploitation of mineral resources and does so by exercising the power to grant, subject to terms and conditions, the rights required to prospect and mine for minerals. The MPRDA requires mining companies to lodge documents for the right to mine and/or prospect and to apply for the conversion of 'old order' prospecting rights and mining rights to 'new order' prospecting rights and mining rights. In order to qualify for these rights, applicants need to satisfy the South African government that the granting of such rights will advance the open-ended broad-based socio-economic empowerment requirements of the Mining Charter published pursuant to section 100(2)(a) of the MPRDA (the Mining Charter). The Mining Charter came into effect on 1 May 2004. The Mining Charter required 15 per cent. HDSA ownership by 2009 and 26 per cent. HDSA ownership by May 2014 (the 2014 Deadline).

In 2010, the DMR introduced the Amendment of the Broad-Based Socio-Economic Empowerment for the South African Mining and Minerals industry, 2010 (the Amended Mining Charter) containing guidelines envisaging, among other things, that mining companies should achieve a minimum of 40 per cent. HDSA demographic representation by 2014 at executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level.

In fiscal 2014, with the 2014 Deadline in view, the DMR initiated a process of assessing mining companies, including Gold Fields, compliance with the Mining Charter and the Amended Mining Charter. This review process raised a

number of concerns among mining companies due to its inflexible approach towards the assessment of compliance with the Mining Charter and the Amended Mining Charter.

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On 31 March 2015, the DMR released to the public an interim report of the consolidated results of the assessment, which showed relatively general compliance with the non-ownership requirements of the Mining Charter and the Amended Mining Charter. However, the DMR did not report the results of compliance with the HDSA ownership guidelines of the Mining Charter and the Amended Mining Charter, and noted that there is no consensus on certain applicable principles.

On the same date, the South African Chamber of Mines, which is now known as the Mineral Council South Africa (MCSA), reported that the DMR believes that empowerment transactions by mining companies concluded after 2004, where the HDSA ownership level has fallen due to HDSA disposal of shares or for other reasons, should not be included in the calculation of HDSA ownership for the purposes of, among other things, meeting the 26 per cent. HDSA ownership target referred to in the Mining Charter and in the Amended Mining Charter (the 26 per cent. HDSA Target). The position of the MCSA (including Gold Fields) is that such empowerment transactions should be included in the calculation of HDSA ownership for purposes of meeting the 26 per cent. HDSA Target.

The DMR and the MCSA agreed to approach the South African courts jointly to seek a declaratory order that will provide a ruling on the relevant legislation and the status of the Mining Charter and the Amended Mining Charter, including clarity on the status of previous empowerment transactions concluded by mining companies and a determination on whether the ownership element of the Mining Charter and the Amended Mining Charter should be a continuous compliance requirement for the duration of the mining right as argued by the DMR, or a once-off requirement as argued by the MCSA, also referred to as the *once empowered, always empowered* principle. The MCSA and the DMR filed papers in court (the Main Application) and the matter was placed on the roll to be heard on 15 March 2016. On 16 February 2017, the High Court postponed the hearing of the Main Application indefinitely to allow the MCSA and the South African government to engage in further discussion on this matter.

The Mining Charter, 2017

The South African Minister of Mineral Resources published the Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry, 2017 (Mining Charter, 2017) which came into effect on 15 June 2017. The MCSA launched an urgent application in the High Court of South Africa, Gauteng Division, Pretoria (the Gauteng Division High Court) to interdict the implementation of the Mining Charter, 2017 (the Interdict Application) pending a judicial review application by the MCSA to set the Mining Charter, 2017 aside on the basis that it was unilaterally developed and imposed on the industry and that the process that was followed by the DMR in developing the Mining Charter, 2017 had been seriously flawed (the 2017 Review Application). However, the Minister and the MCSA reached an agreement on 13 September 2017 under which the Interdict Application did not proceed as the Minister undertook to suspend the Mining Charter, 2017 pending the outcome of the 2017 Review Application by the MCSA. The 2017 Review Application was subsequently indefinitely postponed by agreement between the DMR and the MCSA on the basis that the MCSA has entered into a new round of discussions with the President of South Africa, Cyril Ramaphosa, and the Minister of Mineral Resources, Gwede Mantashe. On 19 February 2018, the Gauteng Division High Court ordered that the DMR and the MCSA must also involve communities affected by mining activities in these new discussions relating to the Mining Charter, 2017.

When the Mining Charter, 2017 was published, the MCSA re-enrolled the Main Application for hearing and the High Court hearing was held in December 2017. On 4 April 2018, the Gauteng Division High Court issued a judgment in the Main Application finding that, once the DMR has considered and granted a mining right application in terms of the MPRDA, then the holder of the mining right will not be legally obligated to restore the HDSA percentage ownership (irrespective of how it was measured) to 26 per cent. where the HDSA shareholding has fallen below 26 per cent. This judgment applies to old order rights converted in terms of the MPRDA, but does not apply where the terms and conditions of the right itself stipulated that the 26 per cent. HDSA ownership had to be retained. The DMR

has appealed the Gauteng Division High Court's judgment in the Main Application and the MSCA will follow due process in this regard.

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The Mining Charter, 2018

On 27 September 2018, the Minister of Mineral Resources gazetted the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (Mining Charter, 2018). The Mining Charter, 2018 stipulates that it is to be read together with implementation guidelines, which were gazetted on 19 December 2018.

Some of the salient features of the Mining Charter, 2018 are:

Existing right holders who have achieved a minimum of 26 per cent. BEE shareholding shall be recognised as compliant for the duration of the mining right.

Existing right holders whose BEE partners exited prior to the commencement of the Mining Charter, 2018 shall be recognised as compliant for the duration of the mining right (the once empowered, always empowered principle).

The once empowered, always empowered principle will not be applicable to the renewal and transfer of a mining right.

A pending application lodged and accepted prior to the commencement of the Mining Charter, 2018 will be processed in terms of the Mining Charter and the Amended Mining Charter (i.e., 26 per cent. BBEE shareholding), subject to the mining right holder increasing BBEE shareholding to 30 per cent. within a period of five years from the effective date of the mining right.

A new mining right must have a minimum of 30 per cent. BEE shareholding distributed in the following manner:

a minimum of 5 per cent. non-transferable carried interest to qualifying employees;

a minimum of 5 per cent. non-transferable carried interest or equity equivalent benefit to host communities; and

a minimum of 20 per cent. effective ownership in the form of shares to a BEE entrepreneur, 5 per cent. of which must preferably be for women.

Employment equity for Historically Disadvantaged Persons (as defined in the Mineral and Petroleum Resources Development Act, 2002) targets are prescribed at board: 50 per cent. (20 per cent. women); executive management: 50 per cent. (20 per cent. women); senior management: 60 per cent. (25 per cent. women); middle management: 60 per cent. (25 per cent. women); junior management: 70 per cent. (30 per

cent. women) and a minimum 1.5 per cent. of all employees must be employees with disabilities. A period of five years is provided for mining companies to align with the employment equity targets and a five-year plan indicating progressive implementation of the provisions of the employment equity targets must be submitted to the DMR within six months of the publication of the Mining Charter, 2018.

70 per cent. of total mining goods procurement spend must be on South African manufactured goods (defined as goods with a minimum of 60 per cent. local content during the assembly or manufacturing of the product in South Africa. The calculation of local content excludes profit mark-up, intangible value such as brand value and overheads). The 70 per cent. must be distributed as follows:

21 per cent. must be procured from a Historically Disadvantaged Person-owned or controlled company (defined as an entity in which Historically Disadvantaged Persons hold at least 51 per cent. of exercisable voting rights and economic interest);

5 per cent. must be procured from women or youth owned and controlled company; and

44 per cent. must be procured from a BEE Compliant Company (defined as a company with a minimum of BBBEE level 4 status in terms of the BBBEE Codes, and a minimum 25 per cent. plus one vote ownership by Historically Disadvantaged Persons).

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80 per cent. of the total spend on services by mining companies must be sourced from South African companies. The 80 per cent. total services procurement spend must be apportioned as follows:

50 per cent. must be spent on services supplied by Historically Disadvantaged Person-owned and controlled companies;

15 per cent. must be spent on services supplied by women and controlled companies;

10 per cent. must be spent on services supplied by a BEE-compliant company; and

5 per cent. must be spent on services supplied by youth.

A period of five years is provided for right holders to align with procurement targets a five-year plan indicating progressive implementation of the provisions of the employment equity targets must be submitted to the DMR within six months of the publication of Mining Charter, 2018.

The implementation guidelines outline processes, procedures, forms and templates to facilitate compliance with the requirements of the Mining Charter, 2018 and do not introduce any new requirements.

The MCSA recognises that the Mining Charter, 2018 is an improvement on the Mining Charter, 2017, however there are still certain matters including renewals and transfers of mining rights, in the Mining Charter, 2018 that require more negotiations and discussions in order to promote a sustainable mining industry that will be supported by investment, growth, transformation and value creation.

On 26 March 2019, the MCSA filed an application for the judicial review and setting aside of certain clauses of the Mining Charter, 2018. The MCSA has engaged in ongoing attempts to reach a compromise with the Minister on certain provisions that are problematic for the industry, and which would be detrimental to its sustainability. The MCSA has delayed bringing the application in the hope that those discussions would be successful but, given the preemptory 180-day time bar imposed by the Promotion of Administrative Justice Act, the MCSA was obliged to launch the review proceedings, despite the fact that the discussions are ongoing and may yet bear fruit.

The application aligns with the MCSA's previously stated view that most aspects of the Mining Charter, 2018 represent a reasonable and workable framework. However, the MCSA's application contends that the Mining Charter, 2018 does not fully recognise the continuing consequences of previous empowerment transactions, particularly in relation to mining right renewals and transfers of such rights. According to the MCSA, this constitutes a breach of the declaratory order on the matter issued by the North Gauteng High Court in April 2018. The ultimate outcome of the review application and ongoing discussions with the Minister of Mineral Resources remain uncertain.

Gold Fields continues to support the collaborative and consultative process of engagement with the Minister of Mineral Resources and other stakeholders in this regard. If Gold Fields decides to renew the South Deep Mining Right (which will in accordance with its terms expire in 2040), Gold Fields may, on the current wording of the Mining Charter, 2018, be required by the DMR to conclude a further BEE transaction.

Gold Fields cannot guarantee that it will meet all the targets set out by the Mining Charter, 2018. Furthermore, if the Mining Charter, 2018 were to be implemented in its current form, there is no assurance that the goods, services and supplies in South Africa would be sufficient to allow Gold Fields to meet the new targets. For example, Gold Fields may not be able to meet the requirement that 70 per cent. of total mining goods procurement spend be on South African-manufactured goods due to an insufficient number of suppliers in South Africa with heavy equipment.

The MPRDA

According to the MPRDA, the mineral resources of South Africa belong to the nation and the state (as custodian of the nation's resources), which is entitled to grant prospecting and mining rights. In May 2010, the

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DMR approved the conversion of the South Deep old order mining right into a new-order mining right. The duration of the South Deep mining right is 30 years.

The MPRDA requires, among other things, that mining companies submit Social and Labour Plans (SLPs), which set out their commitments relating to human resource development, labour planning and socio-economic development planning to the DMR. In April 2013, Gold Fields submitted a new SLP for South Deep (the 2013 SLP) to replace its original SLP submitted in 2010. Although the 2013 SLP was never approved by the DMR, South Deep was annually measured on the 2013 SLP by the DMR. The 2013 SLP expired in December 2017 and, in compliance with its mining licence conditions, Gold Fields submitted a new SLP for the 2018 to 2022 period in December 2017 (the 2018 SLP). Gold Fields is awaiting the DMR's approval of the 2018 SLP, however engagements with the DMR have indicated in principle agreement with the contents thereof. Community projects contemplated in the 2018 SLP have been commissioned despite the status of the approval process.

In terms of section 47 of the MPRDA, the Minister of Mineral Resources may suspend or cancel the existing mining rights, or under section 23(3) of the MPRDA, refuse to grant applications for new mining rights by mining companies, including Gold Fields, should the holders of such mining rights be deemed not to be in compliance with the requirements of the MPRDA as read with South Africa's mining industry empowerment requirements. If the Minister were to determine that Gold Fields is not in compliance with the requirements of the MPRDA and its empowerment requirements, Gold Fields may be required to engage in remedial steps, including changes to management and actions that require shareholder approval.

There is currently uncertainty whether mining companies are, in addition to its required compliance with the MPRDA, required to comply with the BBBEE Act, 2003 (the BBBEE Act) and the BBBEE Codes of Good Practice issued thereunder (the BBBEE Codes), which apply generally to other industries in South Africa. The MPRDA does not require mining companies to comply with the BBBEE Act and the BBBEE Codes. The Mining Charter, 2018 reflects the DMR's attempts at alignment notwithstanding the questionable need to do so.

If the DMR were to determine that Gold Fields is not in compliance with the MPRDA, for any reason, including HDSA ownership, Gold Fields may challenge such a decision in court. Any such court action may be expensive and there is no guarantee that Gold Fields' challenge would be successful.

There is no guarantee that any steps Gold Fields has already taken or might take in the future will ensure the retention of its existing mining rights, the successful renewal of its existing mining rights, the granting of applications for new mining rights or that the terms of renewals of its rights would not be significantly less favourable than the terms of its current rights. Any further adjustment to the ownership structure of Gold Fields' South African mining assets in order to meet the Mining Charter, 2018 requirements could have a material adverse effect on the value of Gold Fields securities.

Ghana

Gold Fields Ghana Limited (Gold Fields Ghana) has two major mining leases in respect of its mining operations, namely the Tarkwa property lease and the Teberebie property lease. There are three mining leases under the Tarkwa property lease, all of which were granted in 1997 and will expire in 2027, and two mining leases under the Teberebie property lease, which were granted between 1988 and 1992, and expired in 2018. The Minerals Commission has approved Gold Fields Ghana's application for an extension of the Teberebie leases to 2036 and has made recommendations to the Minister of Land and Natural Resources to grant the extension. The Minister of Lands and Natural Resources approved the extension of the lease to 2036 on 12 November 2018. Gold Fields Ghana has fully paid for the fees associated with the extension. Abosso Goldfields Limited (Abosso) holds the mining lease in respect

of the Damang mine which was granted in 1995 and expires in 2025, as well as the mining lease in respect of the Lima South pit that was granted in 2006 and expired in 2017 but remains valid until the application for the extension of the term is determined. On 18 December 2017, the Ghanaian Minerals Commission made a favourable recommendation to the Minister of Lands and Natural Resources for the extension of the Lima South lease for 10 years. Gold Fields is awaiting notice from the Minerals Commission to

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pay the applicable fees for the grant of the extension. For further information, see *Environmental and Regulatory Matters Ghana Mineral Rights* .

Failure by Gold Fields to comply with mineral rights legislation or to renew mining leases in any of the jurisdictions in which it operates may cause it to lose the right to mine, fail to acquire new rights to mine and may have a material adverse effect on Gold Fields' business, operating results and financial condition.

Further, Gold Fields may, in the future, incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new laws, whether relating to the mining industry or otherwise. For example, during 2018 the Ghanaian government issued a letter to the mining sector requiring all gold companies, including Gold Fields, to sell 30 per cent. of their gold production to the Government with a view to refining it and adding value to the metal locally. The Chamber is continuing to engage with the Government through a joint committee which is looking at mutually beneficial strategies to add value to the country's gold resources. It is possible that Gold Fields will challenge the Government's position in court, which may be expensive and there is no guarantee that the challenge would be successful. If finalised, the Government's right of pre-emption may have a material adverse effect on Gold Fields' business, operating results and financial condition.

Gold Fields may experience unforeseen difficulties, delays or costs in implementing its business strategy and projects (particularly at Damang, Gruyere and Salares Norte), including any strategic projects, cost-cutting initiatives, divestments and other initiatives and any such strategy or project may not result in the anticipated benefits.

The ability to grow the business will depend on the successful implementation of Gold Fields' existing and proposed strategic initiatives, such as the reinvestment of Damang, the development of the Gruyere Gold Project as well as the achievement of a 15 per cent. free cash flow margin at a gold price of U.S.\$1,200 per ounce. See *Integrated Annual Report Leadership CEO Report Strategy overview* . The Damang reinvestment, the Gruyere Gold Project, as well as the Salares Norte Project, are exposed to all of the risks described in *To the extent that Gold Fields seeks to add to or replace its reserve and resource base through exploration, it may experience problems associated with mineral exploration or developing mining projects* .

The successful implementation of the Company's strategic initiatives depends upon many factors, including those outside its control. For example, the successful achievement of a 15 per cent. free cash flow margin at a gold price of U.S.\$1,200 per ounce will depend on, among other things, prevailing market prices for input costs.

Gold Fields may also prove unable to deliver on production targets and other strategic initiatives. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of Gold Fields' business strategy and projects, and such strategy and projects may not result in the anticipated benefits. For example, the reinvestment in the Damang mine may not yield the extension of reserves or life of mine expected. Any such difficulties, delays or costs could prevent Gold Fields from fully implementing its business strategy, which could have a material adverse effect on its business, operating results and financial condition.

Gold Fields is in the process of implementing initiatives, notably in relation to its Damang mine which include its strategic restructuring, including the reduction of marginal mining, cost-efficiency initiatives, increased brownfield exploration, production planning and cost-cutting. Any future contribution of these measures to profitability will be influenced by the actual benefits and savings achieved and by Gold Fields' ability to sustain these ongoing efforts. Strategic restructuring and cost-cutting initiatives may involve various risks, including, for example, labour unrest and operating licence withdrawal. The risk is elevated in South Africa and Ghana, given Gold Fields' mining rights obligations. See *Gold Fields' mineral rights are subject to legislation, which could impose significant costs and*

burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute .

With respect to the Gruyere Gold Project, Gold Fields may face cost overrun, delays to its planned commencement date or difficulties in achieving the expected technical parameters once operational, any of which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

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In addition, these initiatives may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Depending on the nature of the outcomes of the initiatives, they, individually or in combination, may have a material adverse effect on Gold Fields' business, operating results and financial condition.

As part of its strategy, Gold Fields has disposed of certain of its exploration and development assets, such as the Arctic Platinum Project, which was sold to CD Capital Management in 2018. With respect to any further dispositions, Gold Fields may not be able to obtain prices that it expects for assets it seeks to dispose of or to complete the contemplated disposals in the timeframe contemplated or at all.

Any of the above could have a negative impact on Gold Fields' business, operating results and financial condition.

To the extent that Gold Fields makes acquisitions, enters into other business combination transactions or enters into joint ventures, it may experience problems in executing the acquisitions, combinations or joint ventures or managing and integrating the acquisitions, combinations or joint ventures with its existing operations.

In order to maintain or expand its operations and reserve and resource base, Gold Fields may seek to enter into joint ventures, enter into other business combination transactions or to make acquisitions of selected precious metal producing companies or assets. For example, in November 2016, Gold Fields entered into a 50:50 unincorporated joint venture with Gold Road Resources (Gold Road) for the development and operation of the Gruyere Gold Project in Western Australia. See *Additional Information on the Company Gold Fields Mining Operations Australasia Gruyere JV*. Furthermore, on 29 March 2018, Gold Fields announced that it entered into a joint venture with Asanko Gold, Inc. (Asanko Gold) under which Gold Fields' subsidiary will acquire a 50 per cent. stake in Asanko Gold Ghana Limited (AGG), which holds a 90 per cent. interest in the Asanko Gold Mine, its associated properties and exploration rights in Ghana (AGM). See *Additional Information on the Company Gold Fields Mining Operations West Africa Operations Asanko Gold Mine*. Any such acquisitions, combinations or joint ventures may change the scale of the Company's business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. There can be no assurance that any acquisition, combination or joint venture will achieve the results intended, and, as such, could have a material adverse effect on Gold Fields' business, operating results and financial condition.

To the extent that Gold Fields seeks to add to or replace its reserve and resource base through exploration, it may experience problems associated with mineral exploration or developing mining projects.

In fiscal 2018, three out of Gold Fields' seven non-South African mines reported lower ore reserves after accounting for annual production depletion and all other influencing factors.

In order to replace its mineral reserves and resources at its international operations or expand its operations and reserve and resource base, Gold Fields expects to rely, in part, on exploration for gold, and other metals associated with gold, as well as its ability to develop mining projects. Exploration for gold and other metals associated with gold is speculative in nature, involves many risks and is frequently unsuccessful. To the extent that ore bodies are to be developed, it can take a number of years and substantial expenditures from the initial phases of drilling until production commences, during which time the economic feasibility of production may change. In addition, to the extent Gold Fields participates in the development of a project through a joint venture or any other multi-party commercial structure, such as the Gruyere Project in Western Australia in which Gold Fields holds a 50 per cent. interest, there could be disagreements, legal or otherwise, or divergent interests or goals among the parties, which could jeopardise the success of the project. There can be no assurances that Gold Fields will be able to replace its reserves and resources through exploration, development or otherwise and, if Gold Fields is unable to replace its

reserves and resources, this could erode future planned cash flow and have a material adverse effect on its business, operating results and financial condition.

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Furthermore, significant capital investment is required to achieve commercial production from exploration efforts. There is no assurance that Gold Fields will have, or be able to raise, the required funds to engage in these activities or to meet its obligations with respect to the exploration properties in which it has or may acquire an interest.

Gold Fields mineral reserves are estimates based on a number of assumptions, which, if changed, may require Gold Fields to lower its estimated mineral reserves.

The mineral reserves stated in this annual report are estimates based on assumptions regarding, among other things, Gold Fields costs, expenditures, commodity prices, exchange rates, geology models, geological criteria, mining methods, mining equipment and metallurgical and mining recovery assumptions, which may prove inaccurate due to a number of factors, many of which are beyond Gold Fields control. In the event that Gold Fields adversely revises any of the assumptions that underlie its mineral reserves reporting, Gold Fields may need to revise its mineral reserves downwards. See *Additional Information on the Company Reserves of Gold Fields as at 31 December 2018*.

Among other things, Gold Fields recently executed a restructuring at South Deep. See *Gold Fields has experienced and may continue to experience difficulties, delays, costs or labour actions in relation to its restructuring plan at the South Deep operation in South Africa*. The South Deep life of mine plan was revised in response to the restructuring, the implementation of the new operating model and application of updated modifying factors. The result was a 12 per cent. reduction in the mineral reserve to 32.81Moz as at 31 December 2018 (a reduction of 4.58Moz). The change was primarily the result of increased cut-off grade, updated geo-structural and related geotechnical loss factors, increased stoping loss factors and exclusion of the VCR ore body from the reserve pending confirmation of an appropriate mechanised mining method.

The South Deep year-on-year reserve reconciliation highlighted the following elements as the key drivers that impacted the change in reserves in addition to the annual depletion.

A reduction of 2.4Moz due to incrementally higher cut-off grades used to define mineable blocks (increasing from 3.8g/t to 4.1g/t for current mine (CM) and north of wrench area (NoW), and from 4.2g/t to 4.5g/t for south of wrench area (SoW)), resulting from the impact of lower overall LoM throughput tonnages and the new operating model. The reserve grade LoM increased from 5.36g/t to 5.6g/t in response to the increased cut-off grade.

A removal of 144koz from reserve designs in response to prevailing geo-technical conditions in CM and NoW up to 2022 (e.g. bracket pillars, holings into historical excavations and support pillar deterioration etc.) which is expected to be applied as a factor beyond 2022.

A reduction of 1.8Moz from geo-structural and related geo-technical losses applied as a 5.5 per cent. loss factor to NoW and a 5.5 per cent. loss factor applied to SoW beyond 2023. This was based on practical learnings and experience from negotiating numerous geological dykes and faults in 2017 and 2018, a reduction of 401koz at NoW, 490koz at SoWE and 945koz at SoWW.

A reduction of 0.94Moz from operations to better align with current performance trends. Long hole stoping current actual losses are approximately 26 per cent., now planned at approximately 15.8 per cent. versus the

6.4 per cent. used previously. Long hole stoping loss factors will be recalibrated annually as part of updating the mine planning assumptions.

A reduction of 350koz from exclusion of the VCR due to no definitive fully mechanised mining method being defined.

An increase of 1.24Moz from life of mine tail-end optimisation based on a reduced breakeven tonnage throughput requirement.

Gold Fields has also established an operational plan for South Deep in 2019 based upon the revised footprint and targets of the restructured mine. Delivery on the 2019 operation plan objective is essential to establishing

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whether the operation has the capacity to execute and deliver the production ramp up over the next five years of the LoM plan, which in turn is critical to validating the current reserve statement. If South Deep significantly underperforms in the 2019 operational plan, and insufficient progress is shown on the required productivity and cost improvements, then a reassessment of the LoM plan will need to be initiated to recalibrate to more realistic production and cost profiles with a resultant downward revision in reserves.

Although the restructuring is intended to sustainably build up production at the mine, there can be no assurance that the ongoing implementation of the restructuring will not result in lower than expected long-term steady state production volumes, cost fluctuations, reduced reported ore reserves and life of mine, or other associated issues at South Deep.

The depletion of reserves at Gold Fields Tarkwa mine could lead to inadequate organic growth and LoM extension. There is no guarantee that Gold Fields will be able to effectively explore the Tarwka mine for long-term potential, improve its operations or make its processes more efficient. If the Tarwka mine reserve depletion leads to underperformance, a reassessment of its LoM plan will need to be initiated to recalibrate to more realistic production and cost profiles with a resultant downward revision in reserves.

The reduction of reserves held by the Company, including due to any of the above could have a material adverse effect on Gold Fields business, operating results and financial condition. See *Additional Information on the Company Reserves of Gold Fields as at 31 December 2018 Methodology* .

Gold Fields operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws.

Gold Fields operations are subject to various environmental and health and safety laws, regulations, permitting requirements and standards. For example, Gold Fields is required to secure estimated mine closure liabilities. In 2018, Gold Fields total gross mine closure liability was U.S.\$400 million. The funding methods used to make provision for the required portion of these mine closure cost liabilities, in accordance with in-country legislation, are as follows:

South Africa: contributions to environmental trust funds and guarantees;

Ghana: reclamation bonds underwritten by banks, and restricted cash;

Australia: an annual levy to the State of Western Australia of 1 per cent. of the total mine closure liability which goes into a State-administered fund known as the Mine Rehabilitation Fund is used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned. As a consequence, Gold Fields Australian operations self-fund all mine closure liabilities; and

Peru: based on Peruvian legislation, management expects mine operations to obtain bank guarantee letters that represent a percentage of the total mine closure liability, in order to support compliance with legal obligations.

Gold Fields may in the future incur significant costs to comply with such environmental and health and safety requirements imposed under existing or new legislation, regulations or permit requirements or to comply with changes in existing laws and regulations or the manner in which they are applied. If there is a breach of laws, Gold Fields may also be subject to litigation and other costs as well as actions by authorities relating to environmental and health and safety matters, including mine closures, the suspension of operations and prosecution for industrial accidents as well as significant penalties and fines for non-compliance. These costs could have a material adverse effect on Gold Fields business, results of operations and financial condition. See *Additional Information on the Company Environmental and Regulatory Matters* .

In 2014, the Peruvian government established a three-year moratorium on the application of fines and other punitive sanctions against persons and entities operating in Peru, prioritising instead the imposition of corrective

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measures. This moratorium expired on 13 July 2017. The expiry of the moratorium increases the chances that Gold Fields' Peruvian operations could be subject to greater focus by regulators on compliance with its environmental obligations.

The principal health risks associated with Gold Fields' mining operation in South Africa arise from occupational exposure and potential community environmental exposure to silica dust, noise and certain hazardous substances, including toxic gases and radioactive particulates. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases, such as silicosis, tuberculosis, a combination of the two and chronic obstructive airways disease (COAD), as well as noise-induced hearing loss (NIHL). Employees have sought and may continue to seek compensation for certain illnesses, such as silicosis, from their employer under workers' compensation and also, at the same time, in civil actions under common law (either as individuals or as a class) as is the case with the silicosis individual and class action lawsuits. Such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields' mines.

In 2014, a consolidated application had been brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who had allegedly contracted silicosis and/or tuberculosis while working for one or more of the mining companies listed in the application. In May 2016, the South African South Gauteng High Court (the High Court) ordered, among other things, the certification of a silicosis class and a tuberculosis class. The High Court ruling did not represent a ruling on the merits of the cases brought against the mining companies.

On 3 May 2018, a group of the above South African mining companies, including Gold Fields, (the Gold Working Group) concluded a settlement agreement (the Settlement Agreement) with the attorneys representing the claimants in the silicosis and tuberculosis class action litigation. The Settlement Agreement provides compensation to all eligible workers suffering from silicosis or tuberculosis who worked in the Gold Working Group's mines from 12 March 1965 to the effective date of the Settlement Agreement. The Settlement Agreement is subject to certain suspensive conditions, including that an unconditional order of court, sanctioning the Settlement Agreement to make the Settlement Agreement an order of court, is obtained from the High Court.

Gold Fields has provided for the estimated cost of the above settlement based on actuarial assessments and the provisions of the Settlement Agreement. At 31 December 2018, the provision for Gold Fields' share of the settlement of the class action claims and related costs amounts to U.S.\$25 million. The nominal value of this provision is U.S.\$35 million. This provision compares to the initial amount raised in June 2017 of U.S.\$30 million. The decrease is due to a change in the timing of expected cash flows and the effect of translation offset by the effect of unwinding. The ultimate outcome of these matters remains uncertain, with a possible failure to fulfil all the suspensive conditions, including the Settlement Agreement being approved by the High Court. The provision is consequently subject to adjustment in the future. See *Annual Financial Report Notes to the consolidated financial statements Note 35. Contingent liabilities*. The failure of the Settlement Agreement becoming effective and/or the payment of compensation for the claims could have a material adverse effect on Gold Fields' business, reputation, results of operations and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, increased levies or other contributions in respect of statutory compensation funds or other funds established and expenditures arising out of its efforts to remediate these matters or to resolve any outstanding claims or other potential action.

The DMR can and does issue, in the ordinary course of its operations, instructions, including Section 54 orders, following safety incidents or accidents to partially or completely halt operations at affected mines. It is also Gold Fields' policy to halt production at its operations when serious accidents occur in order to rectify dangerous situations and, if necessary, retrain workers. In fiscal 2018, nine Section 54 instructions were issued following visits by the

DMR, which resulted in partial stoppages in different areas of the mine and negatively impacted production. These stoppages were issued as a result of either perceived or actual unsafe working

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conditions, inadequate safety procedures or untrained personnel. In addition, there can be no assurance that the unions will not take industrial action in response to such accidents which could lead to losses in Gold Fields' production. Any additional stoppages in production, or increased costs associated with such incidents, could have a material adverse effect on Gold Fields' business, operating results and financial condition. Such incidents may also negatively affect Gold Fields' reputation with, among others, employees and unions, South African regulators and regulators in other jurisdictions in which Gold Fields operates.

In Western Australia, significant increases in monetary and criminal penalties for breaches of existing workplace health and safety legislation were introduced in fiscal 2018. In addition, new workplace health and safety laws are expected to come into force in 2019 or 2020. The new measures will likely impose more extensive workplace health and safety obligations on Gold Fields' operations in Western Australia, including introducing personal responsibility on directors and officers to ensure the Company is complying with its health and safety obligations. Breaches of any such obligations by the Company or its directors or officers may result in criminal liabilities.

Gold Fields could incur significant costs as a result of pending or threatened litigation, which could have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Annual Financial Report Notes to the consolidated financial statements Note 35. Contingent liabilities* . Further, any new regulations, potential litigation or any changes to the health and safety laws which increase the burden of compliance or the penalties for non-compliance may cause Gold Fields to incur further significant costs and could have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Additional Information on the Company Environmental and Regulatory Matters* .

Gold Fields' operations are subject to water use licences, which could impose significant costs and burdens.

Gold Fields operations are subject to water use licences and regulations that govern each operation's water usage and that require, among other things, mining operations to achieve and maintain certain water quality limits regarding all water discharges. Gold Fields is required to comply with these regulations under its permits and licences and any failure to do so could result in the curtailment or halting of production at the affected locations. Gold Fields continues to use measures to remove underground water to permit the routine safe functioning of South Deep.

An amended Water Use Licence was issued to South Deep by the Department of Water and Sanitation (DWS) in December 2018. South Deep has implemented a water and environmental management strategy in an effort to satisfy the conditions of its water use licence and other relevant water and environmental regulatory requirements. However, there can be no assurance that Gold Fields will be able to meet all of its water and environmental regulatory requirements, primarily due to the inherent uncertainties related to certain requirements of the legislation, which are subject to ongoing discussions between government and the mining industry through the MCSA. Any constraint on the water supply to South Deep could result in delays on the ramp-up of that operation.

Further, a water quality discharge standard was introduced in Peru, which contained several stringent requirements and mines were given three years to submit their plans for adaptation. La Cima has been engaging with the water authority on the water quality discharge standard since its introduction and in March 2017, La Cima submitted its plan for adaptation to the new maximum allowable limits and water quality discharge standard to the government. Comments from the water authority have been received by Cerro Corona and La Cima submitted a response and is awaiting approval from the authorities.

While Gold Fields continues to conduct diligence to comply with the water use and water quality discharge standards, there is no guarantee that it will always be compliant. For example, discharge from the water treatment plant at the Tarkwa Mine contains brine which is required to be disposed of. In spite of Gold Fields' efforts to treat the brine, there

is no guarantee that an environmental incident involving the mine's brine will not occur,

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which could result in fines, penalties and sanctions by the competent authorities. There is no guarantee that Gold Fields will be able to successfully treat these or other issues, which could result in fines, sanctions and penalties from the component authorities. Any failure on Gold Fields part to achieve or maintain compliance with the requirements of its water use licences with respect to any of its operations could result in Gold Fields being subject to substantial claims, penalties, fees and expenses; significant delays in operations; or the loss of the relevant water use licence, which could curtail or halt production at the affected operation and have a material adverse effect on Gold Fields business, operating results and financial condition.

Gold Fields has experienced and may experience further acid mine drainage related pollution, which may compromise its ability to comply with legislative requirements or result in additional operating or closure cost liabilities.

Acid mine drainage (AMD) and acid rock drainage (ARD, together with AMD, Acid Drainage or AD) are caused when certain sulphide minerals in rocks are exposed to oxidising conditions (such as the presence of oxygen, combined with water). AD can occur under natural conditions or as a result of the sulphide minerals that are encountered and exposed to oxidation during mining or during storage in waste rock dumps, ore stockpiles or tailings dams. The acidic water that forms usually contains iron and other metals if they are contained in the host rock.

AD generation, and the risk of potential long-term AD issues, specifically at Gold Fields Cerro Corona, Damang and South Deep mines, is ongoing. Immaterial levels of surface AD generation also occur at Gold Fields Tarkwa and St. Ives mines. The AD issues at Damang are confined to the Rex open pit. Any AD which is currently generated is contained on Gold Fields property at all operations where it occurs and is managed as part of each mine's operational water management strategy. The relevant regulatory authorities are also kept apprised of the Group's efforts to manage AD through various submissions and other communications.

Gold Fields continues to investigate technical solutions at its South Deep, Damang and Cerro Corona mines to better inform appropriate strategies for long-term AD management (mainly post-closure), as well as to work towards a reliable cost estimate of these potential issues. None of these studies have allowed Gold Fields to generate a reliable estimate of the total potential impact on the Group. In addition, there can be no assurance that Gold Fields will be successful in preventing or managing long-term potential AD issues at these operations.

Gold Fields mine closure cost estimate (namely environmental rehabilitation cost provisions) for fiscal 2018 contains those aspects of AD management (namely tailings facilities, waste rock dumps, ore stockpiles and other surface infrastructure), which management has been able to reliably estimate. However, there could be no guarantee that Gold Fields current cost estimate, including the cost of AD treatment and other types of post-closure water treatment, reflects all relevant factors and, as such, the actual closure costs may be higher.

No adjustment for any effects on the Company that may result from potentially material (mainly post-closure) AD impacts at South Deep, Damang and Cerro Corona, has been made in the consolidated financial statements, other than through the Group's normal environmental rehabilitation cost provisions.

The existence of material long-term AD issues at any of Gold Fields operations could cause it to fail to comply with its water use licence requirements and could expose Gold Fields to fines, additional operating costs and other liabilities. In certain areas where Gold Fields operates, AD could also cause scarcity of water which can affect the continued process of mining and cause production curtailment and mine closures, any of which could have a material adverse effect on Gold Fields business, production, operating results and financial condition.

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If Gold Fields loses senior management or is unable to hire and retain sufficient technically skilled employees or sufficient historically disadvantaged South African representation in management positions, its business in South Africa may be materially adversely affected.

Gold Fields' ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. However, the mining industry, including Gold Fields, continues to experience a global shortage of qualified senior management and technically skilled employees. In particular, there is a shortage of mechanised mining skills in the South African gold mining industry. Gold Fields may be unable to hire or retain appropriate senior management, technically skilled employees or other management personnel, or may have to pay higher levels of remuneration than it currently intends in order to do so. Additionally, as a condition of the mining rights at South Deep and in accordance with the employment equity HDSA targets under the Mining Charter, 2018, Gold Fields must ensure that there is sufficient HDSA participation (including women and employees with disabilities) at the board and all other relevant management levels, and failure to do so could result in fines or the loss or suspension of its mining rights. See *Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute*. If Gold Fields is not able to hire and retain appropriate management and technically skilled personnel or is unable to obtain sufficient HDSA representation at the board level and in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on its business (including production levels), operating results and financial position.

Power cost increases may adversely affect Gold Fields' business, operating results and financial condition.

Gold Fields' South Deep mining operation depends upon electrical power generated by the state-owned power provider, Eskom Limited (Eskom). See *Annual Financial Report Management's Discussion and Analysis of the Financial Statements Overview Costs*. Eskom holds a monopoly on power supply in the South African market, supplying nearly 95 per cent. of the country's electricity needs. Eskom tariffs are regulated by the National Energy Regulator of South Africa (NERSA). Although Eskom applied to NERSA for a 19.9 per cent. average increase in electricity tariffs for Eskom's 2018 to 2019 financial year, NERSA granted Eskom a 5.23 per cent. electricity tariff increase for this period. During 2018, NERSA granted Eskom an additional 4.41 per cent. tariff increase adjustment from the Regulatory Clearing Account (RCA), for the 2019 to 2020 financial year. Eskom has indicated that it intends to challenge NERSA's decision not to grant the requested 19.9 per cent. tariff increase and recently filed court papers to challenge the 4.41 per cent. tariff increase in the RCA ruling. In the same period, Eskom submitted its multi-year price determination application to NERSA for the 2018 to 2019 financial year to the 2021 to 2022 financial year tariff basis, initially requesting 15 per cent. for these years. The application was later revised to 17 per cent., 15 per cent. and 15 per cent. for the 2019 to 2020, 2020 to 2021 and 2021 to 2022 financial years, respectively. In March 2019, NERSA awarded Eskom tariff increases of 9.42 per cent. (effectively 13.81 per cent. when combined with the previously agreed 4.4 per cent. increase that comes into effect April 2019), 8.1 per cent, and 5.22 per cent, for the 2019 to 2020, 2020 to 2021 and 2021 to 2022 financial years, respectively. NERSA also announced the approval of R3.869 billion from the RCA in costs incurred by Eskom over and above the previously regulated costs. The liquidation period is yet to be determined.

In February 2019, the President of South Africa announced the vertical unbundling of Eskom. While full-state ownership will be maintained, the unbundling is expected to result in the separation of the company's generation, transmission and distribution functions, which will require legislative, and possibly policy reform. It is expected that this process will take time to implement, causing continued poor reliability of the supply of electricity, instability in prices and a possible increase in the tariff. Should Gold Fields experience further power tariff increases, its business, operating results and financial condition may be adversely impacted.

In Australia, Gold Fields St. Ives and Agnew/Lawlers mines contract for the supply of electricity with BHP Nickel-West under separate power purchasing agreements. Granny Smith receives its entire electricity supply

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from a 24 megawatt gas-fired power station, sourcing gas from the Goldfields Gas Pipeline via a secondary spur pipeline. If any of Gold Fields' Australian operations were to lose their supply, replacement of this supply may entail a significant increase in costs. Any such increase in costs could have a material adverse impact on Gold Fields' business and operating results.

The State Government of Western Australia is undertaking reforms to electricity network access and the wholesale electricity market in Western Australia. The reforms are currently being drafted and any impact on future electricity prices is not yet known.

In Ghana, both Tarkwa and Damang concluded tariff negotiations for 2014 and 2015 with their respective power suppliers (the state electricity supplier, the VRA, supplies power to Tarkwa and the ECG provides power to Damang). The ECG's tariff for the period 1 February 2016 to 31 December 2016 was U.S.\$0.23/kWh and for 1 January to 31 December 2017 was U.S.\$0.23/kWh. Following negotiations with management, ECG agreed to decrease its tariffs to U.S.\$0.20/kWh from 1 August 2015 to 31 January 2016. Tarkwa has agreed tariffs with VRA with a base tariff of U.S.\$0.17/kWh with effect from 1 January 2015 using a tariff model which inputs actual variables (including the generation mix and input prices) of the previous quarter to determine the tariff for the current quarter. The average VRA tariff for 2017 was U.S.\$ 0.167/kWh and for 2018 was U.S.\$0.136/kWh.

In order to reduce their reliance on power supplied by VRA and ECG, Tarkwa and Damang entered into a power purchasing agreement with independent power producer Genser (the Genser PPA). Under the Genser PPA, Genser agreed to commission a gas power generation facility at Tarkwa and Damang. This power supply has replaced a significant proportion of Tarkwa and Damang's current supply from the VRA and ECG. Genser has installed a 27.5MW Power Plant comprising five units of Centrax gas turbines (owned and operated by Genser) on the Damang Mine, and a 44MW power plant comprising four units of Solar Mars (Caterpillar) gas turbines (operated by Genser) on the Tarkwa Mine. Both plants are expected to expand with the inclusion of the steam turbine technology. The fourth turbine was commissioned at the Genser's Tarkwa Plant in 2018 to bring the Tarkwa Mine installed capacity to 44MW. If any of these plants should fail or supply insufficient power, Tarkwa and Damang may be required to source additional power from the VRA and ECG or may be subject to power disruptions.

For the period of 2016 to 2017, the Public Utilities Regulatory Commission in Ghana increased tariffs by 3.1 per cent. (\$0.0489/kWh). On 5 April 2017, the Energy Sector Levies (Amendment) Act, 2017 (Act 946) revised imposed levies with reduction in the public lighting and National Electrification Levy of 3 per cent. and 2 per cent., respectively, charged on electricity consumption by all categories of customers. In March 2018, Ghana's Public Utilities Regulatory Commission announced a 17.5 per cent. reduction in electricity tariffs for residential consumers, a 30 per cent. reduction for non-residential consumers, a 25 per cent. reduction for special load tariff consumers and a 10 per cent. reduction for mines. However, there is no guarantee that these tariffs will not increase in the future.

Changes in the cost or availability of electricity could increase Gold Fields' cost of operations and cause production stoppages, which could impact existing profit margins and have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Additional Information on the Company Environmental and Regulatory Matters* .

Power stoppages, fluctuations and usage constraints may force Gold Fields to halt or curtail operations.

Although the electricity supply in South Africa had improved prior to this year, Eskom began declaring load shedding in December 2018. The load shedding rose to Stage 4 (short of 4000 MW) in February 2019 and was reinstated in March 2019. Under Stage 4 load shedding, approximately 80 per cent. of the country's demand is met through scheduled load shedding 12 times over a four-day period for two hours at a time, or 12 times over an eight day period

for four hours at a time. Eskom's inability to fully meet the country's demand has led to, and is expected to continue to lead to, rolling blackouts, unscheduled power cuts and surveillance programmes to ensure

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non-essential lighting and electricity appliances are powered off. There is no assurance that Eskom's efforts to protect the national electrical grid will prevent a complete national blackout, which would have a material adverse effect on Gold Fields' operations in South Africa.

During the period of load shedding, Eskom burned significant amounts of diesel to run its gas turbines and called Gold Fields and other large power users to curtail their power demand. In particular, South Deep was required to shift operational activities after they were asked to curtail their power load in line with the curtailment agreement in place. In addition, although Eskom applied to NERSA for a 19.9 per cent. average increase in electricity tariffs for Eskom's 2018 to 2019 financial year, NERSA granted Eskom a 5.23 per cent. electricity tariff increase for this period. During 2018, NERSA granted Eskom an additional 4.41 per cent. tariff increase adjustment from the RCA, for the 2019 to 2020 financial year. Eskom has expressed concern that this increase may not be adequate to prevent future electricity interruptions and indicated that it intends to challenge NERSA's decision not to grant the requested 19.9 per cent. tariff increase. It recently filed court papers to challenge the 4.41 per cent. tariff increase in the RCA ruling. As noted above, Eskom is expected to be vertically unbundled, resulting in the separation of the company's generation, transmission and distribution functions. Poor reliability of the supply of electricity and instability in prices are expected to continue through the unbundling process.

Gold Fields has a voluntary load curtailment agreement with Eskom. Under this agreement, Gold Fields is required to reduce demand by up to 25 per cent. of load, depending on the severity of the shortage, for a specified period of time during which the national grid is unable to maintain its load. During February 2019, Gold Fields was required to reduce demand by 10 per cent. three times, 15 per cent. two times and 20 per cent. one time. Any further disruption or decrease in the electrical power supply available to Gold Fields' South Deep operation could have a material adverse effect on its business, operating results and financial condition.

While the VRA has not imposed any power cuts in Gold Fields' Ghanaian operations since August 2006, power interruptions have occurred in the power supplied by the ECG in 2017 and 2018. In particular, the Tarkwa mine had many challenges with frequent power surges, which caused some delays in the process plant. While the Damang Mine has been insulated from ECG's power interruptions, because the Genser Plant at Damang operates independently from the ECG's grid, there can be no guarantee that this source of power will not fail or be interrupted. While Gold Fields has taken steps to source power from an independent power producer through on-site gas turbines to complement its self-generated sources, any gas supply chain-related risk specific to the regions where Gold Fields operates could affect Gold Fields' business, operating results and financial condition.

Should Gold Fields continue to experience power fluctuations or usage constraints at any of its operations, then its business, operating results and financial condition may be materially adversely impacted.

Gold Fields utilises information, communication and technology systems on which it records personal data. Failure of these systems, or the failure to protect personal data, could significantly impact Gold Fields' operations and business.

Gold Fields utilises and is reliant on various internal and external information, communication and technology system applications to support its business activities, in particular SAP, mining activity applications and other applications. Damage or interruption of Gold Fields' information, communication and technology systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost, exposed or damaged, thereby adversely affecting Gold Fields' business, prospects and operating results.

The information security management system protecting Gold Fields' information, communication and technology infrastructure and network may be subject to security breaches (e.g. cyber-crime or activists) or other incidents that

can result in misappropriation of funds, increased health and safety risks to people, disruption to our operations, environmental damage, loss of intellectual property, disclosure of commercially or personally sensitive information, legal or regulatory breaches and liability, other costs and reputational damage.

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While no material losses related to cyber security breaches have been discovered, given the increasing sophistication and evolving nature of this threat, Gold Fields cannot rule out the possibility of them occurring in the future. An extended failure of critical system components, caused by accidental, or malicious actions, including those resulting from a cyber security attack, could result in a significant environmental incident, commercial loss or interruption to operations.

In addition, the interpretation and application of consumer, privacy and data protection laws in South Africa, the United States and elsewhere are uncertain and evolving. It is possible that regulators may interpret and apply these laws in a manner that is inconsistent with Gold Fields' data processes and practices. Complying with these various laws is difficult and could cause Gold Fields to incur substantial costs or require it to change its business practices in a manner adverse to its business. For example, on 25 May 2018 the General Data Protection Regulation (GDPR) came into force. The GDPR is a European Union-wide framework for the protection of personal data being processed in the EU. The GDPR enhances existing legal requirements through several new rules, including stronger rights for data subjects, cross-border transfer of information, mandatory data breach notification requirements, and an increase in penalties and fines for non-compliance. Failure to comply with the GDPR may lead to substantial penalties and fines. Confidentiality breaches have historically been a great risk for the mining sector.

South Africa's upcoming data protection legislation, the Protection of Personal Information Act, 2013 (POPI) is enacted but not yet in force. Only certain provisions enabling the appointment of the Information Regulator to regulate, perform functions and exercise powers in connection with POPI and the making of regulations are in force. Once a commencement date has been announced, organisations will have 12 months within which to become compliant with POPI. As with the GDPR, failure to comply with POPI may lead to significant penalties and fines.

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and loss of social licence to operate, which could adversely impact Gold Fields' business, operating results and financial condition.

Many mining companies face increasing pressure over their social licence to operate, which can be understood as the acceptance of the activities of these companies by stakeholders. While formal permission to operate is ultimately granted by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively and profitably.

These businesses are under pressure to demonstrate that, while they seek a satisfactory return on investment for shareholders, the environment, human rights and other key sustainability issues are responsibly managed and stakeholders, such as employees, host communities and the governments of the countries in which they operate, also benefit from their commercial activities. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit or are perceived to not be responsibly managing other sustainability issues may result in additional operating costs, higher capital expenditures, reputational damage, active community opposition (possibly resulting in delays, disruptions and stoppages), allegations of human rights abuses, legal suits, regulatory intervention and investor withdrawal.

In order to maintain its social licence to operate, Gold Fields may need to design or redesign parts of its mining operations to minimise their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, changing planned capital expenditures or by relocating the affected people to an agreed location. Anti-mining sentiments in some of the communities in which Gold Fields operates have been exacerbated by high unemployment and violent crime rates, forced resettlement of residents, environmental incidents and blasting.

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Responsive measures may require Gold Fields to take costly and time consuming remedial measures, including the full restoration of livelihoods of those impacted. In addition, Gold Fields is obliged to comply with the terms and conditions of all the mining rights it holds in South Africa. In this regard, the SLP provisions of our mining rights must make provision for local economic development, among other obligations. See *Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute The MPRDA* . Gold Fields also undertakes social and economic development spending in Australia, Ghana and Peru, both voluntarily and as a condition of its mining rights. See *Integrated Annual Report Licence and Reputation Stakeholder Relations Community relations* . In addition, as Gold Fields has a long history of mining operations in certain regions or has purchased operations which have a long history, issues may arise regarding historical as well as potential future environmental or health impacts in those areas.

Delays in projects attributable to a lack of community support or other community-related disruptions or delays can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of measures and other issues relating to the sustainable development of mining operations has placed significant demands on our resources and could increase capital and operating costs and have a material adverse impact on Gold Fields reputation, business, operating results and financial condition.

Regulation of greenhouse gas emissions and climate change issues may materially adversely affect Gold Fields operations.

Energy is a significant input and cost to Gold Fields mining and processing operations, with its principal energy sources being electricity, purchased petroleum products, and natural gas. A number of governments or governmental bodies, including the United Nations Framework Convention on Climate Change, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Many of these contemplate restricting emissions of greenhouse gases in jurisdictions in which Gold Fields operates.

On 19 February 2019, the South African Parliament's National Assembly approved a carbon tax bill (the Carbon Tax Bill), which will be sent to Parliament's National Council of Provinces to be debated and voted upon and then sent to the President. The Bill is expected to become law and come into effect on 1 June 2019 upon the President's assent and signature.

The carbon tax has been designed to fix liability on the person who conducts an activity in South Africa that results in greenhouse gas emissions above a certain threshold. The carbon tax design requires the calculation of liability to be based on the sum of greenhouse gas emissions, which result from fuel combustion, industrial processes and fugitive emissions. Taxpayers must determine emissions in accordance with the reporting methodology approved by the Department of Environmental Affairs (DEA).

Tax liable entities will, after reducing their emissions by any permissible deductions or allowances, be liable for carbon tax at a rate of R120 per tonne on the carbon dioxide equivalent (CO₂e) of their net greenhouse gas emissions. The rate of carbon tax will increase by the consumer prices index (CPI) (as determined by Statistics South Africa) plus 2 per cent. per year until December 2022 and by the CPI thereafter. To provide sectors with sufficient time and flexibility to transition their activities through investments in energy efficiency, renewables and other low carbon measures, the carbon tax design contains tax-free exemptions for gold mining ranging between 60 per cent. and 90 per cent., with various allowances that would permit a tax liable entity to further mitigate its tax liability. Accordingly, the effective tax rate will vary between R12 and R48 per tonne of CO₂e. Such allowances include a basic tax-free allowance, an increased tax-free threshold for trade exposed sectors, recognition of emission reduction efforts, an additional allowance for participating in the national carbon budgeting system and the use of carbon offsets against a

carbon tax liability. If South Deep is liable to pay carbon tax, it is expected to qualify for approximately 80 per cent. of the allowances. As such, its exposure is expected to be initially calculated (in the first year of carbon tax exposure) on 20 per cent. of the mine's Scope 1 emissions which have been estimated to be 5,504 tonnes of CO₂e in fiscal 2018 (95.8 per cent. from diesel,

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3.6 per cent. from blasting agents and 0.6 per cent. from petrol). Based on these emissions, the potential tax liability in 2019 is estimated at approximately U.S.\$9,713. The South African government has stated that the carbon tax will have no net impact on the electricity price before 2022. A 10cZAR/litre carbon tax levy was announced by the South African Finance Minister in the February 2019 budget speech. South Deep's 2018 diesel usage was around 1,961kL and the carbon tax levy would have amounted to around R197,000 (U.S.\$15,000). Should Eskom be allowed to pass on the cost of the tax from its diesel usage related emissions to customers, electricity tariffs may rise significantly. Further, other commodities that South Deep consumes may see price increases as the tax is passed through the market.

In August 2015, the Australian Government committed to reduce greenhouse gas emissions by 26 to 28 per cent below 2005 levels by 2030 (the Target). In December 2017, the Australian Government conducted a review into national climate change policies and concluded that it is on track to meet the Target through policies such as: the voluntary carbon abatement scheme known as the Emissions Reduction Fund and accompanying Safeguard Mechanism which encourages large emitters to keep their emissions within historical levels; and the Renewable Energy Target, which is designed to deliver 33,000 gigawatt hours of additional renewable electricity generation by 2020. However, there is significant and ongoing political uncertainty regarding future climate change policy and emissions target levels in Australia, particularly in light of the upcoming Federal election in 2019.

In addition, a number of other regulatory initiatives are underway in countries in which Gold Fields operates that seek to reduce or limit industrial greenhouse gas emissions. These regulatory initiatives will be either voluntary or mandatory and are likely to impact Gold Fields' operations directly or by affecting the cost of doing business, for example by increasing the costs of its suppliers. Inconsistency of regulations particularly between developed and developing countries may affect both Gold Fields' decision to pursue opportunities in certain countries and its costs of operations. Furthermore, additional, new and/or different regulations in this area, such as the imposition of stricter limits than those currently contemplated, could be enacted, all of which could have a material adverse effect on Gold Fields' business, financial condition, results of operations and prospects. In April 2018, Peru released a climate change framework law seeking collaboration between the government and the private sector (the Climate Change Framework). The Climate Change Framework is intended to realise Peru's nationally determined contribution by reducing emissions by up to 30 per cent. by 2030. The Climate Change Framework also seeks to meet a 20 per cent. carbon reduction goal through the energy, industry, and waste sectors. Assessments of the potential impact of this and other future climate change regulations are uncertain, given the wide scope of potential regulatory change in countries in which Gold Fields operates.

Furthermore, the high variability in local weather patterns and extreme weather events caused by climate change have led to the higher risk of inundation from pits flooding, lack of water supply from extended droughts and extreme temperatures. Each of these potential physical impacts of climate change could disrupt Gold Fields' operations and adversely impact its business, operating results and financial condition.

Gold Fields faces continued geotechnical challenges, which could adversely impact its production and profitability

Gold Fields and the mining industry are facing continued geotechnical challenges due to the older age of certain mines and a trend toward mining deeper pits and more complex deposits. This leads to higher pit walls, more complex underground environments and increased exposure to geotechnical instability and hydrological impacts. As Gold Fields operations are maturing, the open pits at many of its sites are getting deeper and it has experienced certain geotechnical failures at some of its mines.

No assurances can be given that unanticipated adverse geotechnical and hydrological conditions, such as landslides and pit wall failures, will not occur in the future or that such events will be detected in advance. Gold Fields has appointed an external geotechnical review board (the Geotechnical Review Board) to look at this matter. Gold Fields

also cannot guarantee that any recommendations by the Geotechnical Review Board will be implemented effectively or that the ongoing monitoring Gold Fields mines will not be interrupted. Geotechnical

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instabilities can be difficult to predict and are often affected by risks and hazards outside of Gold Fields' control, such as severe weather and rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could have a material adverse impact on Gold Fields' reputation, business, operating results and financial condition.

Due to the nature of mining and the extensive environmental footprint of the operations, environmental and industrial accidents and pollution may result in operational disruptions such as stoppages which could result in increased production costs as well as financial and regulatory liabilities.

Gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial and mining accidents. These may include, for example, seismic events, fires, cave-ins and blockages, flooding, discharges of gases and toxic substances, contamination of water, air or soil resources, radioactivity and other accidents or conditions resulting from mining activities including, among other things, blasting and the transport, storage and handling of hazardous materials. For example, Gold Fields experienced two level 3 environmental incidents during 2018. In April 2018, supernatant water from Damang's Far East tailings storage facility leaked into the environment when permeable waste rock overburden was unintentionally transferred to a nearby body of water. Once discovered, the relevant regulatory authorities and adjacent communities were notified, the permeable rock was removed and the area was rehabilitated before any lasting environmental impacts were identified. Gold Fields experienced a second level 3 environmental incident in December 2018, when water containing tailings from the Cerro Corona Tailing Storage Facility in Peru flowed through an authorised diversion pipe to La Hierba creek reaching the Tingo river. An emergency response team was immediately deployed by the Company and the incident was reported to the competent authorities and host communities. The flow to the creek was stopped three hours after the Company became aware of it and the remediation process, including cleaning the area, commenced 17 December 2018. The cleaning process was formally completed on 6 January 2019 and the rest of the remediation works are currently being executed according to the remediation plan prepared by the Company and communicated to the authorities. While neither fines nor sanctions have been formalised yet, and the Company has been fully collaborating with the competent authorities, there can be no guarantee that these incidents or similar ones will not result in fines or other costs in the future.

The occurrence of any of these hazards or risks could delay or halt production, increase production costs and result in financial and regulatory liability for Gold Fields (including as a result of the occurrence of hazards that took place at the Spin-off operations when they were owned by Gold Fields), which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Our high debt levels pose risks to our viability and may make us more vulnerable to adverse economic and competitive conditions, as well as other adverse developments.

Gold Fields carries significant debt relative to its shareholder equity. As of 31 December 2018, Gold Fields consolidated debt was U.S.\$2.0 billion. U.S.\$1.4 billion of Gold Fields' consolidated debt securities becomes due over the 24 months following 31 December 2018.

Gold Fields' significant levels of debt can adversely affect it in several respects, including:

limiting its ability to access the capital markets;

exposing it to the risk of credit rating downgrades, which would raise its borrowing costs and could limit its access to capital;

hindering its flexibility to plan for or react to changing market, industry or economic conditions;

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making it more vulnerable to economic or industry downturns, including interest rate increases;

increasing the risk that it will need to sell assets, possibly on unfavourable terms, to meet payment obligations;

increasing the risk that it may not meet the financial covenants contained in its debt agreements or timely make all required debt payments; or

affecting its ability to service the interest on its debt.

The effects of each of these factors could be further intensified if Gold Fields increases its borrowings. As Gold Fields continuously reviews its funding and maturity profile, it expects to consider additional opportunities to access the international U.S.\$ bond markets primarily to refinance its debt facilities. A sustained and negative movement in the price of gold will negatively impact Gold Fields' ability to repay its debt. Any failure to make required debt payments could, among other things, adversely affect Gold Fields' ability to conduct operations or raise capital, which could have a material adverse effect on Gold Fields' business, operating results or financial condition.

A further downgrade of South Africa's credit rating may have an adverse effect on Gold Fields' ability to secure financing.

Prior to 2018, the challenges facing the mining industry and other sectors, among other factors, had resulted in the downgrading of South Africa's sovereign credit rating to non-investment grade by Standard & Poor's and Fitch Ratings. On 23 November 2017, Standard & Poor's further downgraded South Africa's sovereign credit rating to BB with a stable outlook due to, among other things, declining consumption on a per capita basis, economic growth performance that is among the weakest of emerging market sovereigns and income inequality that is among the highest in the world. On 23 November 2017, Fitch Ratings reaffirmed its South Africa's sovereign credit rating of BB+ with a negative outlook. On 6 December 2018, Fitch Ratings retained South Africa's sub-investment grade credit rating of BB+ with a stable outlook. On 9 June 2017, Moody's downgraded South Africa's sovereign credit rating to Baa3 with a negative outlook. On 23 March 2018, Moody's affirmed its Baa3 sovereign credit rating for South Africa and upgraded its outlook to stable, listing the beginning of reform under president Ramaphosa. On 26 May 2018, Standard & Poor's affirmed its BB sovereign credit rating of South Africa with a stable outlook and on 23 November 2018 kept South Africa's sovereign credit ratings unchanged at non-investment grade.

Further downgrading of South Africa's sovereign credit rating to non-investment grade status by Standard & Poor's, Moody's or Fitch Ratings may adversely affect the South African gold mining industry and Gold Fields' business, operating results and financial condition by making it more difficult to obtain external financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available. The recent downgrades of South Africa's sovereign credit rating could also have a material adverse effect on the South African economy as many pension funds and other large investors are required by internal rules to sell bonds once two separate agencies rate them as non-investment grade. Any such negative impact on the South African economy may adversely affect the South African gold mining industry and Gold Fields' business, operating results and financial condition.

Economic, political or social instability in the countries or regions where Gold Fields operates may have a material adverse effect on Gold Fields' operations and profits.

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In fiscal 2018, 7 per cent., 36 per cent., 42 per cent. and 15 per cent. of Gold Fields' gold-equivalent production was in South Africa, Ghana, Australia and Peru, respectively. Changes or instability in the economic, political or social environment in any of these countries or in neighbouring countries could affect an investment in Gold Fields.

High levels of unemployment, particularly among the youth, and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign

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investment. The volatile and uncertain labour and political environments, which severely impacts the local economy and investor confidence, has led, and may lead, to further downgrades in national credit ratings, making investment more expensive and difficult to secure. See *Gold Fields' operations and profits have been and may continue to be adversely affected by union activity and new and existing labour laws* and *A further downgrade of South Africa's credit rating may have an adverse effect on Gold Fields' ability to secure financing*. This may restrict Gold Fields' future access to international financing and could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Furthermore, while the South African government has stated that it does not intend to nationalise mining assets or mining companies, certain political parties have stated publicly and in the media that the government should embark on a programme of nationalisation. Any threats of, or actual proceedings to, nationalise any of Gold Fields' assets, could halt or curtail operations, resulting in a material adverse effect on Gold Fields' business, operating results and financial condition and could cause the value of Gold Fields' securities to decline rapidly and dramatically, possibly causing investors to lose the entirety of their respective investments.

In February 2018, Jacob Zuma resigned as President of South Africa and was replaced by Cyril Ramaphosa, National elections in South Africa are scheduled for 8 May 2019. A Federal election is also scheduled to occur in Australia in 2019. In addition, on 23 March 2018, Pedro Pablo Kuczynski resigned as Peru's president following allegations of corruption and was replaced by Martin Vizcarra. The mining policy in Peru has remained positive since and the President and Ministry of Energy and Mines (MEM) have worked towards the consolidation of the mining investment in the country. It is not certain what if any other political, economic or social impacts the newly elected, appointed or re-elected governments will have on South Africa, Australia or Peru, respectively, or on Gold Fields specifically.

Peru's local authorities (the regional governor, the provincial mayor and the district mayor) have expressed concern regarding the lack of clean and values-based mining within their communities. In addition, engagement with community stakeholders, including in Peru and South Africa, can pose challenges to local management and any inability to properly manage these relationships may have a negative impact on our production or associated costs. There is also the potential for social instability or protests regarding mining activity in the communities near Gold Fields' South Deep, Cerro Corona, Damang and Tarkwa mines relating to, among other things, community investment, unemployment, environmental concerns, service delivery by local government or other issues. Occurrence of any of the above mentioned developments could result in Gold Fields experiencing opposition or disruptions in connection with any of its operations. Such opposition or disruptions at any of Gold Fields' operations, in particular if it has an adverse impact or costs or causes any stoppages (including as a result of any protests aimed at government and other mining operations that affect operations) could have a material adverse effect on Gold Fields' business, operating results and financial condition.

An actual or alleged breach or breaches in governance processes, or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, fines and/or sanctions, loss of licences or permits and impact negatively upon our empowerment status and may damage Gold Fields' reputation.

Gold Fields operates globally in multiple jurisdictions and with numerous and complex frameworks, and its governance and compliance processes may not prevent potential breaches of law or accounting or other governance practices. Gold Fields' operating and ethical codes, among other rules, codes, standards and guidance, may not prevent instances of fraudulent behaviour and dishonesty, nor guarantee compliance with legal and regulatory requirements.

For example, new legislation in Peru effective as of 1 January 2018 created administrative liabilities for companies in connection with crimes of transnational active bribery and active bribery of domestic public officials or servants. In addition, pursuant to the new legislation, companies must establish a criminal compliance system, which Gold Fields

has already implemented.

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To the extent that Gold Fields suffers from any actual or alleged breach or breaches of relevant laws, including South African anti-bribery and corruption legislation or the U.S. Foreign Corrupt Practices Act of 1977 (the FCPA) under any circumstances, they may lead to investigations and examinations, regulatory and civil penalties, fines and/or sanctions, litigation, public and private censure, loss of operating licences or permits and impact negatively upon our empowerment status and may damage Gold Fields' reputation. The occurrence of any of these events could have a material adverse effect on Gold Fields' business, operating results and financial condition.

The failure to modernise operations may have a material adverse effect on Gold Fields' business

Gold Fields' business is increasingly dependent on its ability to modernise its operations, including operating models, IT systems and digital technology. Improvements to these systems are necessary for Gold Fields to increase its resource to reserve conversion, reduce costs, decrease power consumption and reduce environmental impact, among other things.

Modernisation of its operations require Gold Fields to adopt new technologies, new organisational structures and new skills. It also requires Gold Fields to manage its technology development and costs. Among other things, Gold Field will likely have to form partnerships with original equipment manufacturers over whom Gold Fields does not have operational control.

Implementation of new technologies and systems is capital intensive and there is no guarantee that the use of new technologies and systems will deliver the intended benefits. Initiatives to modernise Gold Fields' operations may cause operational disruptions, IT failures, safety system failures, increased costs, lower productivity and other challenges.

Gold Fields' competitors are also undertaking modernisation initiatives which may result in it becoming more difficult for Gold Fields to compete if it fails to update its operations. Failure to modernise its operations may also make it more difficult for Gold Fields to effectively convert resources to reserves, reduce costs and attract employees with critical skills. This may also have negative effects on the reputation of the company.

Any of the above could have a material adverse effect on God Fields' business, operating results or financial condition.

The effects of the regional re-watering may have a material adverse effect on Gold Fields' South Deep operation

On 31 August 2016, Sibanye-Stillwater announced that it would be closing its Ezulwini (Cooke 4) mine. As a part of this process, Sibanye-Stillwater filed an application for closure and the cessation of water pumping from the mine. Sibanye-Stillwater submitted a final assessment report to the regulator in October 2017. Sibanye-Stillwater received a negative environmental authorisation that declined their application for closure and cessation of pumping in 2018 and has lodged an appeal against this decision. South Deep filed papers opposing the upholding of the appeal and the decision from the Minister of Environmental Affairs was received in early March 2019. The decision set aside the environmental authorisation and referred the matter back to the DMR for reconsideration on the basis that it must take account of comments that were filed by various government departments after the DMR took a decision on the negative environmental authorisation. South Deep is entitled to be consulted as an interested and affected party in relation to such comments and a modified basic assessment report has to be furnished. South Deep is also an interested and affected party in the process, as there may be a number of adverse impacts on the mine, should pumping of mine water cease at Cooke 4 if Sibanye-Stillwater were to get the required approvals. While water plugs have been installed to prevent water flowing from Cooke 4 to the South Deep mine and the South Deep mine has begun a program of water pumping, water has been allowed to build up above the water plugs on certain levels leading to the increased risk of fluid induced seismicity which could result in catastrophic mine failure, widespread mine flooding, reduced security of water supply, fatalities and the loss of the mine.

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South Deep, which is opposed to the cessation of pumping, is continuing to engage with Sibanye-Stillwater and other stakeholders to find an appropriate and effective solution and has appointed consulting engineers to develop alternative water treatment options. The occurrence of any of the risks noted above could have a material adverse effect on Gold Fields' business, operating results and financial condition.

The failure of a dam at a tailings storage facility could negatively impact Gold Fields' business, reputation and results of operations

Mining companies face inherent risks in their operation of tailings storage facilities. Tailings storage facilities are structures built for the containment of the metals and mining waste, known as tailings. This waste, which consists mainly of material that is extracted during mining but not used in the production of metals, must be disposed of in an appropriate manner so as not to impact the safety of the workforce and communities or cause environmental damage. However, the use of tailings storage facilities exposes Gold Fields to certain risks, among them seepage of decanted tailings water or AMD (as discussed in *Gold Fields has experienced and may experience further acid mine drainage related pollution, which may compromise its ability to comply with legislative requirements or results in additional operating or closure cost liabilities*) and the failure of a dam at a tailings storage facility. Tailings storage facilities designed with upstream constructed embankments typically present greater risk, particularly where the facility is located in a high seasonal rainfall area and where the embankments are constructed using reclaimed tailings materials. For example, in January 2019, the dam of a Brazilian mining company's tailings storage facility (not associated with Gold Fields) failed, releasing muddy tailings downstream, reaching and flooding certain communities, causing multiple deaths and extensive property and environmental damage in the surrounding area. This dam failure followed another similar incident in Brazil in 2015 and in Canada in 2014. The dam failure in 2019 resulted in the immediate stoppage of that company's mining operations pursuant to an order by government authorities. The occurrence of a dam failure at one of Gold Fields' tailings storage facilities could also lead to the loss of human life and/or extensive property and environmental damage.

Gold Fields maintains measures to manage its dams' safety, including compliance with the International Council on Mining and Metals' Tailings Governance Position Statement and undertakes routine reviews by independent international consulting companies. However, Gold Fields cannot guarantee the effectiveness of its designs, construction quality or regular monitoring throughout its operations or that these measures will prevent the failure of one or more of its tailings dams or that such potential failure will be detected in advance. Gold Fields also cannot guarantee that its partners maintain similar safety precautions or monitoring systems on their tailings storage facilities. For example, Gold Fields is working with Lepanto Mining on the Far Southeast project in the Philippines, which has a tailings storage facility located in a region with high seismic activity and frequent typhoons. There is no assurance that the safety measures will prevent the failure of the dam at the tailings storage facility.

The failure of a dam at a tailings storage facility could lead to multiple legal proceedings and investigations, which could include securities class actions, criminal proceedings and public civil actions (against the company or individuals) for significant amounts of damages. Furthermore, the elimination of the conventional practice of storing wet tailings (e.g. alternatively filtering, dry stacking and compacting the tailings) could require the research and development of new technologies, which could lead to additional large expenditures. As a result of the recent dam failures or as a result of future dam failures, additional environmental and health and safety laws and regulations may be forthcoming globally, including in jurisdictions where Gold Field operates, which may ban or curtail any storage of wet tailings or the construction or use of upstream tailings dams. In addition, changes in laws and regulations may impose more stringent conditions in connection with the licensing process of projects and operations and increased criminal and civil liability for companies, officers and contractors.

Furthermore, the unexpected failure of a dam at a tailings storage facility could lead to the need for a large expenditure on contingencies and on recovering the regions and people affected, extensive and permanent environmental damage and the payment of penalties, fines or other money damages. The occurrence of any of

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such risks could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Gold Fields' operations and profits have been and may continue to be adversely affected by union activity and new and existing labour laws.

Over recent periods, there has been an increase in union activity in some of the countries in which Gold Fields operates. Any union activity that affects Gold Fields could have a material adverse impact on its operations, production and financial performance.

In South Africa, a recent increase in labour unrest has resulted in more frequent industrial disputes and extended negotiations that have negatively affected South Africa's sovereign debt rating and subsequently the credit ratings of a number of the country's leading mining companies, including Gold Fields. In 2018, the trade unions at Gold Fields' South Deep mine in South Africa undertook a strike action in response to a proposed restructuring at the mine. See

Gold Fields has experienced, and may continue to experience, difficulties, delays, costs or labour actions in relation to its restructuring plan at the South Deep operation in South Africa. There can be no guarantee that future negotiations will not be accompanied by further strikes, work stoppages or other disruptions.

Furthermore, guidelines and targets have been provided to facilitate compliance with the open-ended broad-based socio-economic empowerment requirements espoused in Section 2 of the MPRDA and in the Mining Charter, 2018. See *Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute.* The ongoing implementation and enforcement of these requirements, including as a result of any changes thereto following the announced review, may be contentious.

Gold Fields' operations in Ghana and Peru have recently been, and may in the future be, impacted by increased union activities and new labour laws. Restructurings often lead to these increased union activities. While Gold Fields seeks to strengthen its relationship with the labour unions in the regions where it operates, there can be no guarantee that labour unions will not undertake strikes or go-slow actions during periods of resistance to Gold Fields' operational decisions, impacting the Group's operations and those of other related industries and suppliers. Furthermore, changes in local regulations can result in increased costs and penalties being incurred by the Group.

Wage agreements reached with the Ghana Mineworkers Union (GMWU) for fiscal 2016 and 2017 were signed, with a 10 per cent. and 6 per cent. increase, respectively. In late fiscal 2017, Gold Fields announced its decision to transition from owner mining to contractor mining. This prompted the GMWU to plan protests and strikes, alongside bringing suit against Gold Fields and the Ghanaian attorney general over this decision to adopt contractor mining, which included plans for the retrenchment of approximately 1,400 employees. On 2 March 2018, the Ghanaian High Court dismissed an interlocutory injunction application brought by the GMWU to prevent Gold Fields from carrying out the retrenchment before the matter was determined by the court. Following the Ghanaian High Court's ruling, Gold Fields retrenched all unionised employees at the Tarkwa and Damang mines. The GMWU filed an appeal against the ruling of the Ghanaian High Court and also filed an application for stay of execution pending the appeal. However, the GMWU discontinued the legal action against Gold Fields on 25 April 2018 and Gold Fields implemented the transition to contractor mining successfully. Gold Fields and GMWU subsequently negotiated the 2018 wage increase and agreed on a 4 per cent. increase in wage for 2018. All qualified active and ex-employees have received the back pay. While Gold Fields no longer employs unionised workers in Ghana, it remains subject to the Labour Act and related labour laws, which are still applicable to all direct employees.

In June 2019, the Group will enter negotiations in Peru with its union in Cerro Corona, which will seek improvements that could affect the costs of the Company. This will be the third trade union negotiation since its

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formation in 2011 and there is evidence of increased union activity in Peru's mining industry. See *Additional Information on the Company Environmental and Regulatory Matters Peru*.

In Australia, Gold Fields concluded a new enterprise agreement with their employees in July 2018, which expires in April 2022 (the Enterprise Agreement). During the term of the Enterprise Agreement, Gold Fields is not exposed to lawful industrial action, including strike activity, though unlawful industrial action remains a possibility.

In the event that Gold Fields experiences further industrial relations related interruptions at any of its operations or in other industries that impact its operations, or increased employment-related costs due to union or employee activity, these may have a material adverse effect on its business, production levels, operating costs, production targets, operating results, financial condition, reputation and future prospects. In addition, lower levels of mining activity can have a longer term impact on production levels and operating costs, which may affect operating life. Mining conditions can deteriorate during extended periods without production, such as during and after strikes, and Gold Fields will not re-commence mining until health and safety conditions are considered appropriate to do so.

Existing labour laws (including those that impose obligations on Gold Fields regarding worker rights) and any new or amended labour laws may increase Gold Fields' labour costs and have a material adverse effect on Gold Fields' business, operating results and financial condition.

Due to ageing infrastructure at our operations, unplanned breakdowns and stoppages may result in production delays, increased costs and industrial accidents.

Once a shaft or a processing plant has reached the end of its intended lifespan, more than normal maintenance and care is required. Some of Gold Fields' infrastructure in South Africa, Ghana and Australia falls into this category. Ageing infrastructure may also cause the Group to be unable to maintain throughput at its operations in Peru. Although Gold Fields has comprehensive strategies in place to address these issues, including maintenance and process plant optimisation projects, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on Gold Fields' business, operating results and financial condition.

Actual and potential supply chain shortages and increases in the prices of production inputs may have a material adverse effect on Gold Fields' operations and profits.

Gold Fields' operating results may be affected by the availability and pricing of raw materials and other essential production inputs, including fuel, steel and cyanide and other reagents. The price and quality of raw materials may be substantially affected by changes in global supply and demand, along with weather conditions, governmental controls and other factors. A sustained interruption in the supply of any of these materials would require Gold Fields to find acceptable substitute suppliers and could require it to pay higher prices for such materials. Any significant increase in the prices of these materials will increase the Company's operating costs and affect production considerations.

The price of oil has been volatile, fluctuating between U.S.\$50.47 and U.S.\$85.98 per barrel of Brent Crude in 2018. As of 22 March 2019, the price of oil was at U.S.\$66.92 per barrel of Brent Crude.

In May 2017 and June 2017, the Ghanaian operations entered into fixed price ICE Gasoil cash settled swap transaction for a total of 125.8 million litres of diesel for the period June 2017 to December 2019. The average swap price is U.S.\$457.2 per metric tonne (equivalent U.S.\$61.4 per barrel). At the time of the transactions, the average Brent swap equivalent over the tenor was U.S.\$49.8 per barrel. At 31 December 2018, the mark-to-market value on the hedge was U.S.\$3.0 million.

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In May 2017 and June 2017, the Australian operations entered into fixed price Singapore 10ppm Gasoil cash settled swap transactions for a total of 77.5 million litres of diesel for the period June 2017 to December 2019. The average swap price is U.S.\$61.15 per barrel. At the time of the transactions, the average Brent swap equivalent over the tenor was U.S.\$49.92 per barrel. At 31 December 2018, the mark-to-market value on the hedge was U.S.\$1.7 million.

There can be no assurance that the use of hedging techniques will always be to our benefit. Hedging instruments that protect against the market price volatility of commodities, in this case oil, may prevent us from realising the full benefit from subsequent decreases in market prices with respect to oil, which would cause us to record a mark-to-market loss, thus decreasing our profits. Hedging contracts also are subject to the risk that the other party may be unable or unwilling to perform its obligations under these contracts. Any significant non-performance could have a material adverse effect on our financial condition, results of operations and cash flows.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine.

Fluctuations in oil and steel prices may have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

Gold Fields insurance coverage may not adequately satisfy all potential claims in the future.

Gold Fields has an insurance programme, however, it may become subject to liability against which it has not insured, cannot insure or has insufficiently insured, including those in respect of past mining activities. Gold Fields existing property and liability insurance contains exclusions and limitations on coverage. For example, should Gold Fields be subject to any regulatory or criminal fines or penalties, these amounts would not be covered under its insurance programme. Should Gold Fields suffer a major loss, future earnings could be affected. In addition, Gold Fields insurance does not cover loss of profits. Further, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, Gold Fields insurance coverage may not cover the extent of claims against it or any cross-claims made.

Gold Fields financial flexibility could be materially constrained by South African exchange control regulations.

South Africa's exchange control regulations (the Exchange Control Regulations) restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area (the CMA). Transactions between South African residents (including companies) and non-residents of the CMA are subject to exchange controls administered by the Financial Surveillance Department of the South African Reserve Bank (SARB). As a result, Gold Fields ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Gold Fields financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. See *Additional Information on the Company Environmental and Regulatory Matters South Africa Exchange Controls*.

Gold Fields may suffer material adverse consequences as a result of its reliance on outside contractors to conduct some of its operations.

A portion of Gold Fields operations in South Africa, Ghana, Australia and Peru are currently conducted by outside contractors. Notably, as Gold Fields transitions to contract mining commencing in fiscal 2018 at its Tarkwa mine, a greater proportion of its operations will be conducted by contractors in Ghana. As a result, Gold Fields operations at

those sites are subject to a number of risks, some of which are outside Gold Fields control, including contract risk, execution risk, litigation risk, regulatory risk and labour risk.

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In addition, Gold Fields may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Integrated Annual Report Safe operational delivery Fit-for-purpose workforce* .

Theft of gold and copper bearing materials and production inputs, as well as illegal and artisanal mining, occur on some of Gold Fields' properties, are difficult to control, can disrupt Gold Fields' business and can expose Gold Fields to liability.

A number of Gold Fields' properties have experienced illegal and artisanal mining activities and theft of gold and copper bearing materials and copper cables (which may be by employees or third parties). These activities could lead to future interference with Gold Fields' operations and result in conflict situations that present a security threat to property and human life.

Illegal and artisanal mining is associated with a number of negative impacts, including environmental degradation and human rights abuse. Effective local government administration is often lacking in the locations where illegal and artisanal miners operate because of rapid population growth and the lack of functioning structures which can create a complex social and unstable environment. In Ghana, the government lifted its ban on small scale mining, effective 17 December 2018. The ban was imposed at the beginning of 2017 in an attempt to regularise the small-scale mining sub-sector. The government also indicated its intention to withdraw military personnel who were deployed to mining concessions to provide security and help prevent encroachment by illegal miners. The withdrawal was to be effective at the end of January 2019. To fill the void that would be created by the absence of the military, the Chamber is negotiating a security agreement with the Ghana Police Service, on behalf of its members.

The activities of illegal and artisanal miners could lead to depletion of mineral reserves, potentially affecting the economic viability of mining certain areas and shortening the lives of the operations as well as causing possible operational disruption, project delays, disputes with illegal miners and communities, pollution, damage to property, personal injury or death. For example, at the Gloria mine in South Africa, a recent explosion caused several fatalities and trapped over 20 illegal miners underground. As a result, the government has called for increased security at all mines. It is possible that mine owners may be held responsible for the actions of such illegal miners or for any damages, injuries or fatalities that occur due to their actions.

Furthermore, the environmental, social, safety and health impacts of illegal and artisanal mining are frequently attributed to formal mining activities, and it is often assumed that illegal and artisanal-mined gold is channelled through large-scale mining operators. These misconceptions negatively impact the reputation of Gold Fields and of the industry. The occurrence of any of these events could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Some of Gold Fields' tenements in Australia are subject to native title claims and include Aboriginal heritage sites, which could impose significant costs and burdens.

Native title and Aboriginal cultural heritage legislation protects the claims, determined rights and cultural heritage sites of Aboriginal people in relation to land and waters throughout Australia in certain circumstances. Native title claims could require costly negotiations with the registered claimants or native title holders and could have implications for Gold Fields' access to or use of its tenements and, as a result, have a material adverse effect on Gold Fields' business, operating results and financial condition. Similarly, there are risks that if Aboriginal cultural heritage sites are damaged or materially altered as a result of current or future operations, Gold Fields could be subject to criminal and/or civil penalties under relevant legislation. See *Additional Information on the Company Environmental and Regulatory Matters Australia Land Claims* .

Table of Contents***Compensation may be payable to native title holders in respect of Gold Fields Australian operations.***

The Native Title Act 1993 (Cth) allows native title holders (i.e. Aboriginal people who have achieved statutory recognition of their native title rights) to seek compensation for the extinguishment or impairment of their native title which occurred following the commencement of the Racial Discrimination Act (1975) (Cth). The Commonwealth, States and Territories are generally responsible for any native title compensation for acts (such as the granting of land and mining tenures) attributable to them. However, this liability may be passed on to third parties (including the holders of mining tenure) either contractually or by legislation.

Native title has been recognised over Gold Fields St Ives and Agnew mines, and the Gruyere Gold Project. Consequently, the native title holders for each of these areas are now entitled to, and there is a reasonable prospect that they will, commence compensation claims (to the extent that such rights have not been waived). As there is no specific timeframe in which such proceedings must be brought, it remains open to the native title holders over the areas including the St Ives and Agnew mines (where there are no native title agreements) to commence compensation claims at any time.

To the extent that it is ultimately determined that the State's compensation liability may be passed on to Gold Fields as a holder of mining tenure in a determined native title claim area, Gold Fields may be liable for any native title compensation determined in relation to those tenements. However, until the relevant legislation is fully considered and a sufficient body of compensation claims have worked their way through the Australian courts, the allocation, quantum and timing of this liability will remain uncertain.

An increasing number of compensation claims are expected following the High Court's decision on 13 March 2019 to award compensation of approximately A\$2.5 million to native title holders in Timber Creek in the Northern Territory. The decision did not address how compensation is to be assessed where the impact on native title is caused by interests (such as mining leases) which impair native title rights without extinguishing them. This issue will likely be addressed in future decisions of the court. Gold Fields is monitoring this issue and will assess any potential risks associated with this once settled calculation methodologies emerge.

HIV/AIDS, tuberculosis and other contagious diseases pose risks to Gold Fields in terms of lost productivity and increased costs.

The prevalence of HIV/AIDS in South Africa poses risks to Gold Fields in terms of potentially reduced productivity and increased medical and other costs. Compounding this are the concomitant infections, such as tuberculosis, that can accompany HIV illness, particularly at the end stages, and cause additional healthcare-related costs. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the workforce, this may have a material adverse effect on Gold Fields' business, operating results and financial condition. See *Integrated Annual Report Safe operational delivery Health HIV/Aids* .

Additionally, the spread of contagious diseases such as respiratory diseases are exacerbated by communal housing and close quarters. The spread of such diseases could impact employees' productivity, treatment costs and, therefore, operational costs.

Gold Fields' appointment of a new registered independent accounting firm could result in additional costs and difficulties in complying with regulations governing public company corporate governance including reporting delays in the filing of its reports with the SEC, and Gold Fields' new registered independent accounting firm may interpret accounting rules differently from its former firm, which could adversely impact its business.

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On 23 July 2018, Gold Fields announced its intention to dismiss its former registered independent accounting firm, KPMG, Inc., and its plan to engage a new firm, PricewaterhouseCoopers, Inc., to serve in that role. Consequently, Gold Fields' new registered independent accounting firm will be reviewing and auditing its

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financial reporting and internal controls in the future. Gold Fields' continuing preparation for and implementation of various corporate governance reforms and enhanced disclosure laws and regulations adopted in recent years requires it to incur significant additional accounting and legal costs, and this change in auditors could add to the overall cost required for compliance. Any new auditor will not have the institutional knowledge of Gold Fields and its management held by the previous auditor, and the transition will require significant additional efforts on the parts of Gold Fields' personnel and management.

Given the complexities of public company accounting rules and the differences in how those rules are interpreted by various accounting firms, it is possible that Gold Fields' new registered independent auditor will require it to characterize certain transactions and/or present financial data differently than was done in prior periods. Similarly, it is possible that the new auditor will disagree with the way Gold Fields has presented financial results in prior periods, in which case it may be required to restate those financial results. In either case, these changes could negatively impact Gold Fields' future financial results and/or previously reported financial results, could subject it to the expense and other consequences of restating prior financial statements, and could lead to government investigation and/or shareholder litigation. Any unanticipated difficulties in preparing for and implementing these and other corporate governance and reporting reforms could result in material delays in compliance or significantly increase Gold Fields' costs which could have a material adverse effect on Gold Fields' business, operating results and financial condition.

Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields.

Securities laws of certain jurisdictions may restrict Gold Fields' ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Gold Fields. In particular, holders of Gold Fields securities who are located in the United States (including those who hold ordinary shares or ADSs) may not be able to participate in securities offerings by or on behalf of Gold Fields unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Gold Fields' ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Gold Fields. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisers as to whether they require any governmental or other consents or approvals or need to observe any other formalities to enable them to participate in any offering of Gold Fields securities.

Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Gold Fields, its directors and its executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof or under the laws of other jurisdictions outside South Africa.

Gold Fields is incorporated in South Africa. All of Gold Fields' directors and executive officers reside outside the United States. Substantially all of the assets of these persons and substantially all of the assets of Gold Fields are located outside the United States. As a result, it may not be possible for investors to enforce against these persons or Gold Fields a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. In addition, investors in other jurisdictions outside South Africa may face similar difficulties.

Investors should be aware that it is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is

generally unknown to the South African legal system, it does not mean that such awards are necessarily contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court where the recognition and enforcement of a

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foreign judgement is sought. South African courts will usually implement their own procedural laws. It is doubtful whether an original action based on United States federal securities laws or the laws of other jurisdictions outside South Africa may be brought before South African courts. Further, a plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for the purpose of use in South Africa.

Investors should also be aware that a foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts only if certain conditions are met.

Investors may face liquidity risk in trading Gold Fields ordinary shares on JSE Limited.

Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Gold Fields ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity.

Gold Fields may not pay dividends or make similar payments to its shareholders in the future and any dividend payment may be subject to withholding tax.

Gold Fields pays cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Gold Fields capital expenditures (on both existing infrastructure as well as on exploration and other projects) and other cash requirements existing at the time. Under South African law, Gold Fields will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act No. 71 of 2008 (the Companies Act) and Gold Fields Memorandum of Incorporation (MOI). Given these factors and the Board of Directors discretion to declare cash dividends or other similar payments, dividends may not be paid in the future. It should be noted that a 20 per cent. withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders was introduced with effect from 22 February 2017. See *Additional Information Taxation Certain South African Tax Considerations Tax on Dividends* .

Gold Fields non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand.

Dividends or distributions with respect to Gold Fields ordinary shares have historically been paid in Rand. The U.S. dollar or other currency equivalent of future dividends or distributions with respect to Gold Fields ordinary shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the U.S. dollar or other currencies. In the future, it is possible that there will be changes in South African exchange control regulations, such that dividends paid out of trading profits will not be freely transferable outside South Africa to shareholders who are not residents of the CMA. See *Additional Information South African Exchange Control Limitations Affecting Security Holders* .

Gold Fields ordinary shares are subject to dilution upon the exercise of Gold Fields outstanding share options.

Shareholders equity interests in Gold Fields will be diluted to the extent of future exercises or settlements of rights under the Gold Fields 2012 Share Plan (the 2012 Plan), the Gold Fields 2005 Share Plan (the 2005 Plan), the revised Gold Fields Limited 2012 share plan, (the revised Gold Fields Limited 2012 Share Plan), or the Gold Fields 2018 Long-term Incentive (LTI) Plan (the 2018 LTI Plan) and any additional rights. See *Annual Financial Report Remuneration Report Remuneration policy Cash-settled Long-term incentives and Annual Financial*

Report Notes to the consolidated financial statements Note 5. Share-based payments . Gold Fields shares are also subject to dilution in the event that the Board is required to issue new shares in compliance with BBBEE legislation.

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ADDITIONAL INFORMATION ON THE COMPANY

Organisational Structure^{1, 2, 3}

Gold Fields is a holding company with its significant ownership interests organised as set forth below.

Group Structure

- ¹ As of 29 March 2019, unless otherwise stated, all subsidiaries are, directly or indirectly, wholly owned by Gold Fields.
- ² Not all other subsidiaries and investments are wholly owned.
- ³ Gold Fields is contemplating the restructure of its operating companies in Ghana (Gold Fields Ghana Limited and Abosso Goldfields Limited) which would result in Gold Fields Ghana Limited and Abosso Goldfields Limited being held via one of its Dutch companies, which are held 99.99 per cent. via Gold Fields Holdings Company.

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Gold Fields is a public limited company incorporated in South Africa, with its registered office located at 150 Helen Road, Sandown, Sandton, 2196, South Africa, telephone number +27-11-562-9700. Gold Fields was incorporated and registered as a public limited company in South Africa under registration number 1968/004880/06 on 3 May 1968 and operates under Gold Fields Limited. Gold Fields is the ultimate holding company of the Gold Fields group.

Gold Fields Mining Operations

Gold Fields has seven producing mines located in South Africa, Ghana, Australia and Peru, as well as an open pit mine it is developing in Western Australia, in a joint venture with Gold Road. Gold Fields conducts underground and surface mining operations at St. Ives, underground-only operations at Agnew/Lawlers, Granny Smith and South Deep and surface-only open pit mining at Damang, Tarkwa and Cerro Corona. Some processing of surface rock dump material occurs at Damang, while some tailings material is processed at South Deep. Material processed from production stockpiles occurs at Tarkwa, Agnew, Granny Smith and St. Ives. Gold Fields sold the Darlot mine in Australia to Red 5 Limited for A\$18.5 million effective 2 October 2017.

South African Operations

Gold Fields South African region consists solely of the South Deep mine. Achievement of the 2019 operational plan and the delivery of the five-year production ramp up phase are each pivotal to executing the Group's strategic plan. They also underpin the Group's long-term sustainability and ability to meet the steady state operating volumes and anticipated cost metrics. The restructuring of South Deep was completed at the end of 2018, allowing Gold Fields to extract R800m in operating costs and R400m in capital expenditures. The successful delivery of South Deep, which as of 31 December 2018 accounted for 59 per cent. of the Group's gold-equivalent Mineral Reserves, is important for Gold Fields' long-term, sustainable growth.

South Deep Mine

Introduction

South Deep is situated 45 kilometres south-west of Johannesburg, in the Gauteng Province of South Africa. South Deep has historically been a capital project and a developing mine where the majority of the permanent infrastructure to support expanded production has now been installed. South Deep recalibrated its operating model and reset the production ramp up phase, which is expected to result in an initial steady state production profile being achieved in approximately five years. South Deep uses trackless mechanised mining methods comprising an array of techniques and mobile machines to achieve the most efficient extraction system for any given area in the ore body. South Deep operates under a mining lease with a total area of approximately 4,268 hectares.

South Deep is engaged in underground mining and its primary infrastructure comprises one metallurgical plant and two operating shaft systems, the older South Shaft complex and the newer Twin Shaft complex. The South Shaft complex includes a main shaft and three sub-vertical (SV) shafts, two of which are operational. The Twin Shaft complex consists of a single-barrel main shaft for hoisting personnel, rock materials and an adjacent bratticed ventilation shaft, used for both extracting used air and hoisting rock. The South Shaft complex operates to a depth of 2,650 metres below surface and the Twin Shaft complex operates to a depth of 2,995 metres below surface. South Deep's workings are at depth and therefore require significant cooling infrastructure. The South Deep operation has access to the national electricity grid, water, and road infrastructure and is located near regional urban centres where it can obtain needed supplies and services.

For additional information, see *Risk Factors Gold Fields has experienced, and may continue to experience, difficulties, delays, costs or labour actions in relation to its restructuring plan at the South Deep operation in South Africa.*

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History

The current South Deep operations derive from the Barrick Western Areas Joint Venture, which Gold Fields acquired in a series of transactions in the second half of fiscal 2007. The Barrick Western Areas Joint Venture was named the South Deep Joint Venture.

Geology

South Deep is a deep-level underground gold mine located along the northern and western margins of the Witwatersrand Basin, which has been the primary contributor to South Africa's production of a significant portion of the world's recorded gold output since 1886.

The Witwatersrand Basin comprises a 6,000 metre vertical thickness of sedimentary rocks, extending laterally for some 350 kilometres northeast to southwest by some 1,200 kilometres northwest to southeast, generally dipping at shallow angles toward the centre of the basin. The basin outcrops at its northern extent near Johannesburg, but to the west, south and east it is overlaid by up to 4,000 metres of volcanic and sedimentary rocks. The Witwatersrand Basin is Archaean in age, meaning the sedimentary rocks are of the order of 2.8 billion years old.

Gold mineralisation occurs within laterally extensive quartz pebble conglomerate horizons called reefs, which are developed above unconformable surfaces near the basin margin. As a result of faulting and primary controls on mineralisation processes, the goldfields are not continuous and are characterised by the presence or dominance of different reef units. The reefs are generally less than two metres in thickness and are widely considered to represent laterally extensive braided fluvial deposits or unconfined flow deposits, which formed along the flanks of alluvial fan systems around the edge of an inland sea. Dykes and sills of diabase or dolerite composition are developed within the Witwatersrand Basin and are associated with several intrusive and extrusive events.

Gold generally occurs in native form, often associated with pyrite, carbon and uranium. Pyrite and gold within the reefs display a variety of forms, some obviously indicative of detrital transport within the depositional system and others suggesting crystallisation within the reef itself.

The most fundamental controls of gold distribution are the primary sedimentary features such as facies variation and channel directions. Consequently, the modelling of sedimentary features within the reefs and the correlation of payable grades within certain facies is key to in situ reserve estimation as well as effective reef definition drilling programmes, operational mine planning and grade control.

Gold mineralisation at South Deep is hosted by conglomerates of the Upper Elsburg reefs and the Ventersdorp Contact Reef (VCR). The Upper Elsburg reefs sub-crop against the VCR in a north-easterly trend, which defines their western limits. To the east of the sub-crop, the Upper Elsburg reefs are preserved in an easterly diverging sedimentary wedge attaining a total thickness of approximately 120 metres, which is subdivided into the lower Individuals and the overlying Massives. To the west of the sub-crop, only the VCR is preserved.

The stratigraphic units at South Deep generally dip southward at approximately 12 to 15 degrees and the gold-bearing reefs occur at depths of 1,500 metres to 3,500 metres below surface.

Production at South Deep is currently derived from the Upper Elsburg Reefs. In general terms, the Upper Elsburg succession represents an easterly prograding sedimentary sequence, with the Massives containing higher gold grades and showing more proximal sedimentological attributes in the eastern sector of the mining authorisation than the underlying Individuals. The sedimentary parameters of the Upper Elsburg reef units influence the overall tenor of the

reefs with gold grade displaying a gradual, general decrease toward the east, away from the sub crop.

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The North-South trending normal West Rand and Panvlakte faults, which converge on the Western side of the lease area, are the most significant large-scale faults in the area and form the western limit to gold mineralisation for the mine.

West Africa Operations

The West Africa operations comprise the Tarkwa, Damang and the Asanko JV gold mines in Ghana. Gold Fields Ghana, which holds the interest in the Tarkwa mine, and Abosso, which owns the interest in the Damang mine, are 90 per cent. owned by Gold Fields and 10 per cent. by the Ghanaian government. Gold Fields acquired a 50 per cent. stake in Asanko Gold's 90 per cent. interest in the Asanko Gold Mine in Ghana.

For a discussion on the energy supply in Gold Fields Ghana, see *Risk Factors Power cost increases may adversely affect Gold Fields' business, operating results and financial condition.*

Tarkwa Mine

Introduction

The Tarkwa mine is located in southwestern Ghana, about 300 kilometres by road, west of Accra. The Tarkwa mine consists of several open pit operations on the original Tarkwa property and the adjacent southern portion of the property, which was formerly referred to as the Teberebie property and was acquired by Gold Fields in August 2000. Gold Fields added a SAG mill, a ball mill and a CIL plant.

The Tarkwa mine operates under mining leases with a total area of approximately 20,825 hectares, the entirety of which are surface operations. The Tarkwa mine completed its transition from the national grid to an independent power producer, Genser Energy, during 2018. Genser commissioned the last of the units at its Tarkwa gas plant in February 2018 and now supplies 40MW of energy at Tarkwa. The mine still has access to the national grid but only as a back-up. The Tarkwa mine has access to water, road and railway infrastructure, although rail service has been non-operational for many years. Most supplies are trucked in from either the nearest seaport, which is approximately 90 kilometres away by road in Takoradi, or from Tema, near Accra, which is approximately 300 kilometres away by road.

History

Investment in large-scale mining in the Tarkwa area commenced in the last quarter of the nineteenth century. In 1993, Gold Fields of South Africa took over an area previously operated by the State Gold Mining Corporation (SGMC). SGMC had, in turn, acquired the property from private companies owned by European investors. Mining operations by Gold Fields commenced in 1997 following initial drilling, feasibility studies and project development (which included the removal of overburden and the resettlement of approximately 22,000 people).

Geology

Gold mineralisation at Tarkwa is hosted by Proterozoic Tarkwaian metasediments, which overlie but do not conform to a Birimian greenstone belt sequence. Gold mineralisation is concentrated in conglomerate reefs and has some similarities to deposits in the Witwatersrand Basin in South Africa. The deposit comprises a succession of stacked, tabular palaeoplacer units consisting of quartz pebble conglomerates. Approximately 10 such separate economic units occur in the concession area within a sedimentary package ranging from 40 metres to 110 metres in thickness. Low-grade to barren quartzite units are interlayered between the separate reef units.

Damang Mine

Introduction

The Damang deposits are located in the Wassa West District in southwestern Ghana approximately 300 kilometres by road west of Accra and approximately 30 kilometres by road northeast of the Tarkwa mine.

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The mine exploits hydrothermal-style gold deposits in addition to Witwatersrand-style palaeoplacer gold. The Damang mine consists of a number of open pit operations with a SAG and ball mill and CIL processing plant. Damang holds mining and prospecting leases with a total area of approximately 26,376 hectares. The Damang mine completed its transition from the national grid to an independent power producer, Genser Energy, during 2017. Genser commissioned the last of the units at its Damang gas plant in February 2017 and now supplies 18MW of energy. The mine still has access to the national grid but only as a back-up. The Damang mine also has access to water and road infrastructure. Most supplies are brought in by road from the nearest seaport, Takoradi, which is approximately 135 kilometres away, or from Accra, which is approximately 300 kilometres away by road.

History

Mining on the Abosso concession began with underground mining in the early twentieth century. Surface mining at Damang commenced in August 1997 and Gold Fields assumed control of operations on 23 January 2002. Historically, the underground mine was in operation from 1878 until 1956.

Geology

Damang is located on the Damang Anticline, which is marked by Tarkwaian metasediments on the east and west limbs, around a core of Birimian metasediments and volcanics. Gold in the Tarkwaian metasediments and volcanics is predominantly found in the conglomerates of the Banket Formation and is similar to the Witwatersrand in South Africa; however, at Damang, hydrothermal processes have enriched this palaeoplacer deposit and the adjacent metasediments within the Banket formation. Within the region, the contact between the Birimian and Tarkwaian metasediments and volcanics is commonly marked by zones of intense shearing and is host to a number of significant shear hosted gold deposits, including Prestea, Bogoso, and Obuasi.

Palaeoplacer mineralisation occurs on the west limb of the anticline at Abosso, Chida and Tomento, and on the east limb of the anticline at the Kwesie, Lima South and Bonsa North locations. Hydrothermal enrichment of the Tarkwaian palaeoplacer and metasediments also occur at the Rex, Amoanda and Nyame areas on the west limb and the Damang and Bonsa areas on the east limb.

Asanko Gold Mine

Introduction

The Asanko Gold concessions are located in the Amansie West District of the Ashanti Region of Ghana, approximately 250 kilometres northwest of the capital Accra, and about 50 kilometres to 80 kilometres southwest of the regional capital of Kumasi.

Asanko Gold holds six mining leases as well as prospecting and reconnaissance licences, which collectively make up the AGM and span 30 kilometres strike length of the Asankrangwa Gold Belt. The AGM processing plant was commissioned during the fourth quarter of 2015 and is currently operating at a throughput of 5.4 Mtpa and achieving recoveries in excess of 92 per cent. The AGM consists of a number of open pit operations with a SAG and ball mill and CIL processing plant. Asanko Gold holds a total area of approximately 101,350 hectares under mining and prospecting leases and has access to the national electricity grid and water and road infrastructure.

History

The AGM is a collective term for the significant Nkran and Esaase gold deposits plus nine other satellite deposits. Nkran was previously exploited by Resolute (1997-2001) and produced approximately 730koz Au. The Nkran pit was dewatered and reopened by Asanko Gold in 2015-2016. Since restarting the operation, the AGM has produced approximately 576koz Au from the Nkran pit and satellite pits within 8 kilometres of the Obotan Milling Complex.

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During 2018, Gold Fields acquired a 50 per cent. stake in Asanko Gold's 90 per cent. interest in the Asanko Gold Mine. Preliminary development of the Esaase deposit was completed in 2018 to allow for bulk sampling and test mining to begin in 2019.

Geology

Although each gold occurrence within the AGM has its own idiosyncrasies, geological and geophysical studies have advanced a similar mine scale setting for all the deposits discovered to date. There is an underlying structural relationship between reactivated WNW basement structures and the dominant NE-SW shears that have juxtaposed the sandstone, siltstone and lesser shale metasedimentary packages, coupled by N-S structures that may control flexures in the steeply dipping sediments. All deposits have intrusive tonalitic porphyritic granite dykes.

Gold mineralisation has occurred at least twice during distinct deformational events.

Gold occurs largely as free particles. It is deposited in economic concentrations predominantly around zones of rheological contrast between sandstone (porous) and siltstone facies (non-porous) that are sub-vertical shear zones, as well as in late, shallow dipping conjugate quartz vein arrays that transgress rheologically contrasting metasedimentary units and the later granite intrusives.

Australasia Operations

St. Ives

Introduction

St. Ives is located 80 kilometres south of Kalgoorlie and 20 kilometres south of Kambalda, straddling Lake Lefroy in Western Australia. It holds exploration licences, prospecting licences and mining leases covering a total area of approximately 168,205 hectares (inclusive of those held as JVs). St. Ives is both a surface and underground operation, with several open pits and operating underground mines as well as a metallurgical CIP plant. The St. Ives operation obtains electricity pursuant to a contract with BHP Nickel West that expires in January 2023 and has access to water, rail, air and road infrastructure. Consumables and supplies are trucked in locally from both Perth and Kalgoorlie.

History

Gold was discovered in the St. Ives area in 1897, with intermittent production until Western Mining Corporation (WMC) commenced nickel and gold mining operations at St. Ives. Gold Fields acquired the St. Ives gold mining operation from WMC in November 2001.

Geology

The gold deposits of St. Ives are located at the southern end of the Norseman-Wiluna greenstone belt of the West Australian Goldfields Province. In the St. Ives area, the belt consists of Kalgoorlie Group volcanic rocks, Black Flag group felsic volcanic rocks and sediments and a variety of intrusive and overlying post-tectonic sediments. The area is structurally complex, with metamorphism ranging from lower greenschist and lower amphibolite facies. Shear hosted gold mineralisation has been discovered in all stratigraphic units. Deposit styles and ore controls are varied ranging from minor structures, including vein arrays, breccia zones and central, to quartz-rich and mylonitic parts of shear zones.

Agnew/Lawlers

Introduction

Agnew/Lawlers is located 23 kilometres west of Leinster, approximately 375 kilometres north of Kalgoorlie and 630 kilometres northeast of Perth, Western Australia. Together, Agnew and Lawlers hold exploration licences, prospecting licences and mining leases covering a total area of approximately 82,932 hectares.

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Agnew/Lawlers has one metallurgical plant in operation and is serviced by sealed road infrastructure to the mine gate. Supplies are generally trucked in from Perth or Kalgoorlie. Agnew/Lawlers is a fly-in fly-out operation with local services, external accommodation including air transport with a sealed runway. A new mine owned camp and runway upgrade is due for completion in 2019, which is expected to accommodate most of the employees and contractors. Power is currently supplied to the mine as part of the national electricity distribution with future generation entailing a combination of gas, solar and wind. Commissioning of the gas and solar components is scheduled for mid-2019, with wind generation to follow in 2020. The bulk of the water is supplied from the mining operations and recovered from the in-pit tailings facility and previously mined pits.

History

Gold was discovered at Agnew in 1895 and production was intermittent until WMC acquired the operation in the early 1980s and constructed the current mill in 1986. Since that time, numerous open pits and underground operations have been mined. During 2001, Gold Fields acquired Agnew from WMC.

Gold was discovered around the same time at Lawlers. In 1984, Forsayth NL purchased the Great Eastern lease and constructed the Lawlers processing plant (the Lawlers Mill). Mechanised open pit mining commenced in 1986. The New Holland underground mine opened in 1998 and in 2001 Barrick acquired Lawlers as part of its merger with Homestake. In 2013, Gold Fields purchased Lawlers from Barrick and the Lawlers Mill was placed on care and maintenance.

Geology

The Agnew and Lawlers gold deposits are located within the northwest portion of the Norseman-Wiluna greenstone belt of the Western Australian Goldfields. This greenstone belt consists of an older sequence of ultramafic flows, gabbros, basalts, felsic volcanic and related sedimentary rocks. The rocks are folded about the large, moderately north plunging Lawlers Anticline. The Agnew deposits are located on the western limb of this anticline, and major deposits discovered to date lie on sheared contacts between stratigraphic units. The anticline is cut by north-northeast trending faults such as the Waroonga and East Murchison Unit shear zones. The Lawlers deposits occur along the eastern limb of the Lawlers Anticline with the main Genesis-New Holland deposit located within the Scotty Creek Sediments west of Waroonga.

Granny Smith

Introduction

Granny Smith is located 27 kilometres southwest of the town of Laverton in the Northern Goldfields of Western Australia and is accessible via the Mt. Weld Road. Laverton has a sealed road to Perth, 950 kilometres to the southwest, and Kalgoorlie, 400 kilometres to the south.

Granny Smith holds exploration licences, prospecting licences and mining leases covering a total area of approximately 97,674 hectares.

The site operates on a fly-in fly-out basis with variable rosters. A well-maintained unsealed airstrip located approximately eight kilometres northeast of the camp provides air access from Perth for most employees and contractors. Flights are made four days per week.

History

The Granny Smith deposits were discovered in 1987. In 1989, mining at Granny Smith commenced in the Granny Smith pit and continued in subsequent years, with the development of a series of open pits. In 1998, the Wallaby deposit was discovered 11 kilometres southwest of Granny Smith. In November 2001, the first Wallaby ore was delivered to the mill.

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The Wallaby Open Pit was mined from October 2001 until December 2006. Underground mining at Wallaby commenced in December 2005 and is ongoing. As noted above, Gold Fields acquired the mine in October 2013.

Geology

Granny Smith is in the Eastern Yilgarn Craton. At a regional scale, the geological terrain around the Laverton area is dominated by the Mt. Margaret Dome in the northwest and the Kirgella Dome in the southeast. These domes are flanked to the east and west by north-northwest-striking shear zones, and the central zone between the two domes is dominated by north to north-northeast-striking sigmoidal shear zones. These distinctly different strikes to the shear zones developed early in the tectonic evolution of the area and resulted in a favourable architecture for late-stage orogenic gold mineralisation.

Gruyere JV

Introduction

The Gruyere deposit is located within the Yamarna Terrane of the eastern Yilgarn, Western Australia. Gruyere is located 200 kilometres east of Laverton and 1,000 kilometres north-east of Perth and is accessible by road and by air, with a sealed airstrip near the camp. The operation runs on a fly-in fly-out basis with variable rosters.

The project, with granted tenements for mining, exploration and miscellaneous of 200,354 hectares, is wholly within the Yamarna Pastoral Lease.

History

Gold Road discovered the primary mineralisation at Gruyere in 2013. The Gruyere project is 50 per cent. owned by Gold Fields Limited after forming a joint venture (JV) with Gold Road Resources in November 2016.

Geology

Gruyere is an Archaean orogenic gold deposit. Mineralisation is hosted within the Gruyere Monzonite Porphyry. Gold is associated with varying intensity albite-sericite-chlorite-biotite-calcite alteration of the host rock.

Americas Operations

Prior to fiscal 2013, Gold Fields owned a 98.5 per cent. economic interest in the Cerro Corona mine through its shareholding in La Cima. Gold Fields increased its economic interest in La Cima to 99.53 per cent. through a reduction in capital carried out in December 2013.

Cerro Corona

Introduction

The Cerro Corona mine became operational by the end of the third quarter of fiscal 2008. It forms part of a porphyry copper-gold deposit situated within the Hualgayoc Mining District in northern Peru. It is located in the highest part of the Western Cordillera of the Andes, in northern Peru, close to the headwaters of the Atlantic continental basin. Cerro Corona is located approximately 80 kilometres by road north of the City of Cajamarca. La Cima holds mining concessions covering a total area of approximately 4,365 hectares and Cerro Corona is being developed over an area

of approximately 1,300 hectares, the rights to which are held by Gold Fields. Cerro Corona's electricity is supplied through a long-term contract with a Peruvian power supplier and transported through the national power transmission system and a 34 kilometre transmission line constructed by the project. Cerro Corona's water requirements are provided primarily by retention of rainfall and pit dewatering; water is continuously recycled.

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History

In December 2003, Gold Fields, through a subsidiary, signed a definitive agreement to purchase an 80.7 per cent. economic and 92 per cent. voting interest in the Cerro Corona mine from a Peruvian family-owned company, Sociedad Minera Corona S.A. The agreement called for a reorganisation whereby the assets of Cerro Corona were transferred to La Cima, in July 2004. Following the approval of an environmental impact assessment (EIA) on 2 December 2005, Gold Fields completed the purchase of the 92 per cent. voting interest (80.7 per cent. economic interest) in La Cima in January 2006, for a total consideration of U.S.\$40.5 million. La Cima subsequently obtained all requisite additional permits to construct the mine. Construction commenced in May 2006.

Geology

The Cerro Corona gold-copper deposit is hosted by a 600- to 700-metre diameter sub-vertical cylindrical- shaped quartz diorite porphyry stock emplaced into mid-Cretaceous limestone and marls and siliclastic rocks. Within the porphyry, gold-copper mineralisation is primarily hosted by extensive zones of stockwork veining. There are at least two phases of diorite placement, only one of which is mineralised. The non-mineralised diorite is generally regarded as the last phase and is referred to as barren core. The latest re-modelling suggests that the Cerro Corona porphyry is probably composed of four or five satellite stocks with the last two being barren. The intrusive has been emplaced at the intersection of Andean-parallel and Andean-normal (transandean) structures. Supergene oxidation and leaching processes at Cerro Corona have led to the development of a weak to moderate copper enrichment blanket, allowing for the subdivision of the deposit, from the surface downward, into an oxide zone, a mixed oxide-sulphide zone, a secondary enriched (supergene) sulphide zone and a primary (hypogene) sulphide zone.

Salares Norte Project

Introduction

The Salares Norte project is 100 per cent. owned by Gold Fields and is focused on a gold-silver deposit in the Atacama region of northern Chile, with elevations between 4,200 metres and 4,900 metres above sea level. The nearest town is Diego de Almagro, about 190 kilometres by road to the west of the project. Mineralisation is contained within a high-sulphidation epithermal system, offering high-grade oxides. The project is located within a core 1,800 hectare concession area. Gold Fields holds 83,830 hectares in exploration and exploitation concessions in the project area.

History

The Group spent U.S.\$53 million on feasibility study work and further in-fill drilling in fiscal 2018, following on from pre-feasibility study work and drilling in fiscal 2017 (U.S.\$53 million), and U.S.\$39 million spent in fiscal 2015. Approximately 150 kilometres of drilling has been completed to date. The project has progressed to include both the Brecha Principal and Agua Amarga deposits in a feasibility study, which was competed and peer reviewed during 2018. See *Integrated Annual Report CEO Report Group performance scorecard Portfolio management* .

In December 2016, Gold Fields updated the project's resources for the Brecha Principal area (at pre-feasibility status) as well as the nearby Agua Amarga deposit (scoping study status). Preliminary indications suggested Salares Norte could be an open pit mine, while metallurgical test work suggested that hybrid carbon-in-leach processing could deliver recovery rates of around 91 per cent. for gold. Current studies, including advancement of an optimised mine plan for the combined Brecha Principal and Agua Amarga deposits, are deemed sufficient to report a maiden reserve at Salares Norte of 21.1Mt at a gold grade of 5.13g/t for 3.5Moz and a silver grade of 57.9g/t and 39.3Moz silver.

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

Salares Norte has completed its environmental and social baseline and is currently finalising the EIA report to be presented to the authorities within the next two months to support the project schedule. The environmental work comprises biological and bio-diversity studies, including the protection of the endangered short-tailed chinchilla in the area. The research has been completed and, as a part of the EIA, Salares Norte will present the Chile's Ministry of Environment with options on how to protect the chinchilla, including possible relocation to a protected area within the concession. The research work undertaken at Salares Norte will also be used to inform a nationwide study on the conservation and management of the species.

The social baseline at Salares Norte has been expanded. While there are no indigenous claims or presence on the concession or the dedicated access routes, Salares Norte has embarked on an extensive engagement programme with impacted communities, including investments in community projects.

Geology

The Salares Norte Project is located in the northern part of the Maricunga Belt, an area with a predominance of Cenozoic volcanic rocks, comprising eroded strato-volcanos, volcanic domes and pyroclastic rocks. Mineralisation at Salares Norte is contained in a high-sulphidation epithermal system, hosted mainly by a breccia complex along the contact of two volcanic domes of andesitic and dacitic composition. Mineral resources have been delineated by drilling in two separate deposits, Brecha Principal and Agua Amarga, which are located about 500 metres apart. Most of the mineralisation known to date is oxidised. The sulphide mineralisation contains mainly pyrite.

Insurance

Gold Fields has insurance policies to protect against catastrophic events which could have significant adverse effects on its operations and profitability, subject to the availability and cost of such insurance. Gold Fields maintains its philosophy of placing coverage with secure underwriters that offer programmes to suit Gold Fields' specific needs.

Gold Fields has global insurance policies covering general liability, accidental loss or material damage to its property, business interruption in the form of fixed operating costs or standing charges and other losses. Gold Fields does not insure all potential losses associated with its operations as some insurance premiums are prohibitively expensive, some risks are considered too remote to insure and some types of insurance cover are not available. For example, Gold Fields does not insure against loss of profits. Should an event occur for which there is no or limited insurance cover, this could affect Gold Fields' cash flows and profitability.

Management believes that the scope and amount of insurance coverage is adequate, taking into account the probability and potential severity of each identified risk. Gold Fields' insurance coverage is consistent with customary practice for a gold mining company of its size with multinational operations. See *Risk Factors* *Gold Fields' insurance coverage may not adequately satisfy all potential claims in the future.*

Table of Contents**Property**

As of 31 December 2018, Gold Fields held rights over the following mining and exploration areas/tenements, including those held as joint ventures:

Gold Fields operative mining areas as of 31 December 2018

Operation	Size (hectares)
South Africa	
South Deep	4,268
Ghana	
Tarkwa	20,825
Damang	26,376
Asanko	101,350
Australia⁽¹⁾	
St. Ives	168,205
Agnew/Lawlers	82,932
Granny Smith	97,674
Gruyere	200,354
Peru	
Cerro Corona	4,365

Note:

(1) Tenement areas include: prospecting, exploration, mining, miscellaneous and non-managed or JV. Gold Fields leases its corporate headquarters in Sandton.

According to the MPRDA, the mineral resources of South Africa belong to the nation and to the state (as custodian of the nation's resources, which is entitled to grant prospecting and mining rights). The MPRDA provides a statutory right of access for the mining right holder to the mining area for the purposes of conducting mining operations and does not require the holder to own the land on which it conducts operations. Once a mining right is granted, a landowner cannot refuse a lawful mining right holder the right to conduct its mining operations. In addition, the landowner is not entitled to compensation from the mining right holder for the use of the land for mining operations conducted in terms of the MPRDA. In May 2010, the DMR approved the conversion of the South Deep old order mining right into a new order mining right. Included in this approval was an additional area called Uncle Harry's, which is contiguous to South Deep. The durations of the South Deep and Uncle Harry's mining rights are both 30 years.

Gold Fields owns most of the properties in respect of its South African mining operations, and where it does not own such property, it does so in accordance with applicable mining and property laws. In addition, Gold Fields owns prospecting and surface rights contiguous to its operations in South Africa. As required under the MPRDA, Gold Fields has registered its surface rights utilised for mining purposes. Gold Fields has received prospecting rights on properties which it has identified as being able to contribute, now or in the future, to its business and will apply to convert those prospecting rights to mining rights under the MPRDA, when appropriate. See *Risk Factors* *Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose*

certain ownership requirements, the interpretation of which are the subject of dispute The MPRDA .

Gold Fields West Africa operations comprise three legally registered entities, namely Gold Fields Ghana and Abosso, as well as a 50 per cent. stake in Asanko Gold s 90 per cent. interest in the Asanko Gold Mine. Gold Fields Ghana obtained the mining rights for the Tarkwa property from the government of Ghana in 1993. In August 2000, with the consent of the government of Ghana, Gold Fields Ghana was assigned the mining rights

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for the northern portion of the Teberebie property. The Tarkwa rights expire in 2027 and the Minister of Lands and Natural Resources has approved the extension of the Teberebie Leases to 2036. Abosso holds the right to mine at the Damang property under the Damang and Lima South mining leases from the government of Ghana. The Damang lease expires in 2025. The Lima South lease, which expired in 2017 has been extended for another 10 years by the Minister of Lands and Natural Resources on the recommendation of the Minerals Commission. In addition, a Joint Venture transaction was concluded with Asanko Gold, with Gold Fields acquiring a 50 per cent. stake in Asanko Gold's 90 per cent. interest in the Asanko Gold Mine in Ghana.

Gold Fields and the Asanko JV may respectively exploit all surface and underground gold at all three sites until the rights expire, provided that Gold Fields pays the government of Ghana a quarterly royalty. See *Environmental and Regulatory Matters Ghana Mineral Rights* .

In Western Australia, land that is the subject of mining rights is leased from the state. West Australian mining leases have an initial term of 21 years with one automatic 21-year renewal period and thereafter an indefinite number of 21-year renewals with government approval. In relation to gold produced from the mining leases at St. Ives, Agnew/Lawlers, Granny Smith and Darlot (until its sale), Gold Fields pays an annual royalty to the state of 2.5 per cent. of revenue. The Gruyere project is 50 per cent. held by Gold Fields after forming a joint venture with Gold Road Resources in November 2016. The Gold Fields ownership is held by Gruyere Mining Co Pty and first gold is expected to be produced in 2019.

In Peru, exploration and extraction activities can only be performed in duly authorised areas. Authorisation is granted by the Peruvian government when a mining concession is issued. Mining concessions expire if the titleholder does not exploit the concessions for a period of 15 years, unless the titleholder demonstrates to the authorities that this was through no fault of its own, in which case the authorities may allow the titleholder to begin to exploit the concession within the next five years that follow. The titleholder must comply with specific obligations, such as paying annual fees of U.S.\$3.00 per hectare, meeting minimum investment requirements, paying a monthly royalty according to the value of the produced concentrates and other requirements. The mining concessions owned by Cerro Corona cover an area of 4,365 hectares, while the surface rights cover 1,291 hectares. See *Environmental and Regulatory Matters Peru Mining Concessions* .

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The maps presented below show the location of Gold Fields' operations.

South Africa Operation

General location of the material assets - South Deep Gold Mine

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West Africa Operations

General location of the material assets Tarkwa Gold Mine

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General location of the material assets Damang Gold Mine

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General location of the material assets Asanko Gold Mine

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Australian Operations⁴

General location of the material assets St. Ives Gold Mine

⁴ The sale of Darlot to Red 5 Limited was completed on 2 October 2017.

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General location of the material assets Agnew/Lawlers Gold Mine

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General location of the material assets Granny Smith Gold Mine

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General location of the material assets Gruyere Gold Project

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Americas Operations

General location of the material assets Cerro Corona Gold Mine

Table of Contents**GLOSSARY OF MINING TERMS**

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding some of the terms used in this annual report. For additional terms, please see *Annual Financial Report Glossary of Terms* .

Adjusted EBITDA is a non-IFRS measure which means profit or loss for the year adjusted for interest, taxation, amortisation and depreciation and certain other costs. The definition of adjusted EBITDA is as defined in the U.S.\$1,290 million term loan and revolving credit facilities agreement. Refer to note 39 to the consolidated financial statements for the calculation of adjusted EBITDA.

Adjusted free cash flow and adjusted free cash flow margin or **Free cash flow** or **Free Cash Flow Margin** , in terms of the existing long-term incentive plan scheme, means AIC adjusted for non-cash share-based payments, non-cash long-term employee benefits, exploration, feasibility and evaluation costs outside of existing operations, non-sustaining capital expenditure for growth projects only, realised gains or losses on revenue hedges and taxation paid (excluding royalties).

Adjusted free cash flow margin is adjusted free cash flow divided by revenue adjusted for by-product revenue.

The adjusted free cash flow margin is calculated as follows:

Revenue (gold only = revenue as per the income statement less by-product revenue as per AIC)	xxx
Less: Cash outflow	(xxx)
AIC	(xxx)
Adjusted for	
Share-based payments (as non-cash)	xx
Long-term employee benefits (non-cash)	xx
Exploration, feasibility and evaluation costs outside of existing operations	xx
Non-sustaining capital expenditure	xx
Revenue hedges	xx
Long-term incentive plan payment	(xx)
Tax paid (excluding royalties)	(xx)
Free cash flow	xx
Free cash flow margin	x%

Gold sold only ounces xxx

All-in costs or **AIC** is a non-IFRS measure which means all-in sustaining costs plus additional costs relating to growth, including non-sustaining capital expenditure and exploration, evaluation and feasibility costs not associated with current operations. For the calculation of all-in costs, see *Annual Financial Report Management s discussion and analysis of the financial statements* .

All-in sustaining costs or **AISC** is a non-IFRS measure which means operating costs excluding amortisation and depreciation, plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. For the calculation of all-in sustaining costs, see *Annual Financial Report Management s discussion and analysis of the financial statements* .

Brownfield means exploration conducted in areas where mineral deposits have already previously been discovered and is also termed near mine.

Dissolution means the process whereby a metal is dissolved and becomes amenable to separation from the gangue material.

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Electrowinning means the process of removing mineral from solution by the action of electric currents, known as electrolysis.

Exploration means activities associated with ascertaining the existence, location, extent or quality of mineralisation, including economic and technical evaluations of mineralisation.

Gangue means commercially valueless or waste material remaining after ore extraction from rock.

Gold reserves means the gold contained within proved and probable reserves on the basis of recoverable material (reported as mill delivered tonnes and head grade).

Grinding means reducing rock to the consistency of fine sand by crushing and abrading in a rotating steel grinding mill.

Hypogene means ore or mineral deposits formed by ascending fluids occurring deep below the earth's surface, which tend to form deposits of primary minerals, as opposed to supergene processes that occur at or near the surface, and tend to form secondary minerals.

In situ means within unbroken rock or still in the ground.

Kriging means a geostatistical estimation technique used in the evaluation of ore reserves.

Leaching means dissolution of gold from the crushed and milled material, including reclaimed slime, for adsorption and concentration onto the activated carbon.

Level means the horizontal tunnels of an underground mine used to access the workings or ore body.

Life of mine, or **LoM** means the expected remaining years of production, based on production schedules and ore reserves.

London afternoon fixing price means the afternoon fixing by the new electronic London Bullion Market Association, or LBMA price-discovery process. The price continues to be set twice daily, at 10:30 and 15:00 London time.

Mark-to-market means the current fair value of a derivative based on current market prices, or to calculate the current fair value of a derivative based on current market prices, as the case may be.

Measures means conversion factors from metric units to U.S. units are provided below.

Metric unit	U.S. equivalent
1 tonne (1 t)	1.10231 short tons
1 gram (1 g)	0.03215 ounces
1 gram per tonne (1 g/t)	0.02917 ounces per short ton
1 kilogram (1 kg)	2.2046 pounds (lb)
1 kilogram per tonne (1 kg/t)	29.16642 ounces per short ton
1 kilometre (1 km)	0.62137 miles

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1 metre (1 m)	3.28084 feet
1 centimetre (1 cm)	0.39370 inches
1 millimetre (1 mm)	0.03937 inches
1 hectare (1 ha)	2.47104 acres

Metallurgical plant means a processing plant used to treat ore and extract the contained minerals.

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Metallurgical recovery factor means the proportion of metal in the ore delivered to the mill that is recovered by the metallurgical process or processes.

Metallurgy means, in the context of this document, the science of extracting metals from ores and preparing them for sale.

Mill delivered tonnes means a quantity, expressed in tonnes, of ore delivered to the metallurgical plant.

Mine call factor means the ratio, expressed as a percentage, of the specific product accounted for at the mill (including residue), compared to the corresponding specific product called for based on an operation's measuring and valuation methods.

Mineralisation means the presence of a target mineral in a mass of host rock.

MPa means a unit measurement of stress or pressure within the earth's crust used to profile tectonic stress, which can impact ground stability and ground support requirements in underground mining.

Net cash flow is defined as net cash flow from operations less the South Deep dividend, net capital expenditure (additions to property, plant and equipment less proceeds on disposal of property, plant and equipment), environmental trust fund and rehabilitation payments and finance lease payments, as per the consolidated statements of cash flows which is a non-IFRS measure. An investor should not consider this item in isolation or as an alternative to cash flow from operating activities, cash and cash equivalents or any other measure presented in accordance with IFRS. The definition for the calculation of net cash flow may vary significantly between companies, and by itself does not necessarily provide a basis for comparison with other companies. The following table sets out a reconciliation of Gold Fields' net cash flow from operations in accordance with IFRS (refer to the consolidated statement of cash flows) to net cash flows. For a reconciliation, see *Annual Financial Report Management's discussion and analysis of the financial statements*.

Net cash flow from operations ⁽¹⁾	XX
Less:	
South Deep dividend ⁽¹⁾	XX
Additions to property, plant and equipment ⁽¹⁾	XX
Proceeds on disposal of property, plant and equipment ⁽¹⁾	XX
Environmental and rehabilitation payments ⁽¹⁾	XX
Finance lease payments	XX
Net cash flow	XX

Note:

(1) As per the consolidated statement of cash flows.

Net debt is a non-IFRS measure which means total borrowings less cash and cash equivalents (refer note 39 to the consolidated financial statements).

Net smelter return , or **NSR** means the volume of refined mineral sold during the relevant period multiplied by the average spot mineral price and the average exchange rate for the period, less refining, transport and insurance costs.

Open pit means mining where the ore is extracted from a surface mining operation or pit . The geometry of the pit may vary with the characteristics of the ore body.

Ore means a mixture of material containing minerals from which at least one of the minerals can be mined and processed profitably.

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Ore body means a well-defined mass of material of sufficient mineral content to make extraction economically viable.

Ore grade means the average amount of mineral contained in a tonne of mineral-bearing ore expressed in grams per tonne, or per cent. per tonne.

Ore reserves , or **reserves** means that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

Ounce means one troy ounce, which equals 31.1035 grams.

Overburden means the soil and rock that must be removed in order to expose an ore body.

Paste filling means a technique whereby cemented paste fill is placed in mined-out voids to improve and maintain ground stability, minimise waste dilution and maximise extraction of the ore.

Porphyry means an igneous rock of any composition that contains larger, well-formed mineral grains in a finer-grained groundmass.

Production stockpile means the selective accumulation of unprocessed ore which is actively managed as part of the current mining and processing operations.

Prospect means to investigate a site with insufficient data available on mineralisation to determine if minerals are economically recoverable.

Prospecting right means permission to explore an area for minerals.

Refining means the final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.

Rehabilitation means the process of restoring mined land to a condition approximating its original state.

Rock dump means the historical accumulation of waste or low grade material derived in the course of mining which could be processed in order to take advantage of spare processing capacity.

Run of Mine , or **RoM** when used with regard to grade, is a term to describe the average grade of the ore mined.

Sampling means taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).

Seismicity means a sudden movement within a given volume of rock that radiates detectable seismic waves. The amplitude and frequency of seismic waves radiated from such a source depend, in general, on the strength and state of stress of the rock, the size of the source of seismic radiation, and the magnitude and the rate at which the rock moves during the fracturing process.

Semi-autogenous grinding , or **SAG mill** , means a piece of machinery used to crush and grind ore which uses a mixture of steel balls and the ore itself to achieve comminution. The mill is shaped like a cylinder causing the grinding media and the ore itself to impact upon the ore.

Slimes means the finer fraction or tailings discharged from a processing plant after the valuable minerals have been recovered. Also see **Tailings** .

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Slurry means a fluid comprising fine solids suspended in a solution (generally water containing additives).

Smelting means thermal processing whereby mineral is liberated from molten beneficiated ore or concentrate, with impurities separating as lighter slag.

Spot price means the current price of a metal for immediate delivery.

Stockpile means a store of unprocessed ore.

Stope means the underground excavation within the ore body where the main mineral production takes place.

Stratigraphic means the study of rock layers (strata) and layering (stratification) and is primarily used in the study of sedimentary and layered volcanic rocks. Stratigraphic modelling is often important in profiling the regional and local geology that has played a controlling role in mineralisation and ore body generation.

Stripping means the process of removing overburden (waste material) to expose the ore for mining.

Sulphide means a mineral characterised by the linkages of sulphur with a metal or semi-metal, such as pyrite (iron sulphide). Also a zone in which sulphide minerals occur.

Supergene means ores or ore minerals formed where descending surface water oxidises the primary (hypogene) mineralised rock and redistributes the ore minerals, often concentrating them in zones. Supergene enrichment occurs at the base of the oxidised portion of the ore deposit.

Tailings means finely ground rock from which the bulk of valuable minerals have been extracted by metallurgical processes. Also see **Slimes** .

Tailings storage facility or **TSF** typically means a dam used to store by-products or tailing from mining operations after separating the ore from the gangue.

Tonne means one tonne and is equal to 1,000 kilograms (also known as a **metric tonne**).

Tonnage means the quantity of material where the tonne is an appropriate unit of measure. Typically used to measure reserves of mineral-bearing material, or quantities of ore and waste material mined, transported or milled.

Waste means rock mined with an insufficient mineral content to justify processing.

Yield means the actual grade of ore realised after the mining and metallurgical treatment process.

Table of Contents**RESERVES OF GOLD FIELDS AS AT 31 DECEMBER 2018****Methodology**

While there are some differences between the definition of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code) and that of the SEC's Industry Guide 7, only the reserves at each of Gold Fields' operations, growth and advanced exploration projects as at 31 December 2018 which qualify as reserves for purposes of the SEC's Industry Guide 7 are presented in the table below. See *Glossary of Mining Terms*. In accordance with the requirements imposed by the JSE, Gold Fields reports its reserves using the terms and definitions of the SAMREC Code (2016 edition). Mineral or ore reserves, as defined under the SAMREC Code, are divided into categories of proved and probable reserves and are expressed in terms of tonnes to be processed at mill feed head grades, allowing for estimated mining dilution, ore loss, mining recovery and other modifying factors.

All of Gold Fields' operations report reserves using cut-off grades or net smelter return cut-offs (NSR), in the case of multi-metal deposits. Cut-off grade is the grade that distinguishes the economic material within an ore body that is to be extracted and treated from the remaining material. Cut-off grade is typically calculated using an appropriate metal price plus the development, stoping, processing, general and administration and sustaining capital costs to derive a total cost per tonne. NSR cut-off is the net revenue (total revenue less production costs) that the owner of a mining property receives from the sale of the mine's metal products. Costs include transportation and refining costs. Modifying factors applied in estimating reserves are primarily based on historical empirical information, but commonly incorporate adjustments for planned operational improvements. Tonnage and grade may include some mineralisation below the selected cut-off grade to ensure that the reserve comprises blocks of adequate size and continuity to facilitate practical mining. Reserves also take into account operating cost levels as well as necessary capital and sustaining capital provisions required at each operation, and are supported by detailed engineered life of mine (LoM) plans.

South Africa

A material restructuring at South Deep was announced in August 2018. The restructuring was aimed at reducing the workforce and underground mobile equipment levels in order to consolidate mining activity and to recalibrate the cost base with the anticipated levels of production. South Deep's LoM Plan encompasses this restructuring. The resultant new operating model remains anchored by the previous rebase plan design and fundamentals, with a specific renewed focus on improved operational efficiency and execution. The new LoM plan sets out the foundation and establishes the key enablers required to fully convert the mine to a fully mechanised bulk efficient operation with an effective organisational culture that is supportive of mechanised operations.

South Deep's LoM plan, which forms the basis for South Deep's mineral reserves, will continue to be refined and enhanced as other operational outcomes are delivered and as the mine evolves to steady state production. This plan incorporates the recalibration of the labour force, all recent improvements in mine design and scheduling, and geotechnical parameters, as well as infrastructure required to support the production plan.

At South Deep, the estimation of reserves is based on surface drilling, underground infill and grade control (Mine Definition) diamond drilling, surface three-dimensional reflection seismics, ore body facies modelling, structural modelling, underground mapping, detailed ore zone wireframes and geostatistical estimation. The reefs, which are sedimentary in nature, are laterally continuous with long-range predictability, and reflect extensive intra-basinal fluvial deposits. Initially exploration is by drilling from the surface on an approximately 500-metre to 2,000-metre grid. Once underground access is available, underground mapping and Mine Definition diamond drilling is undertaken

on an approximate 30-metre to 90-metre grid, to provide the necessary ore body definition to support detailed mine design and production scheduling.

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The following sets out the drill spacing ranges used to classify the different categories of reserves at South Deep.

Reserve Classification	Sample Spacing Range	Maximum Distance Data is Projected
	Min/Max	(metres)
Proved	0 to 60	90
Probable	60 to 650	650

For proved reserves, the planned grade control or Mine Definition diamond drilling must be designed at an approximate 50-metre by 50-metre grid spacing, depending on the accessibility for the diamond drill rigs. The high profile destress mining consists of 5.5-metre high cuts that are generally mined horizontally at 17- to 20-metre vertical intervals, and it reduces the in situ rock stress from approximately 80 MPa to 30 to 40 MPa to facilitate bulk mechanised mining. Estimation is constrained within both geologically homogeneous structural and defined facies zones, and is generally derived from either ordinary or simple kriged small-scale grids.

For probable reserves, the estimates access a significant number of samples on spacing greater than the spacing for development and stoping bordering these areas. In addition, borehole spacing ranges from tens to hundreds of metres are used in conjunction with 3D seismic survey results that confirm certain structural reef elevations and key stratigraphic surfaces. Reserves classified as probable are generally adjacent to those classified as proved. Estimation is constrained within homogeneous structural and facies zones, and is derived using a localised direct conditioning technique (used to derive recoverable block estimates) based on simple kriging.

The primary assumptions of continuity of the geologically homogeneous zones are driven by the geological model, which is updated when new information arises. Any changes to the model are subject to peer and internal technical corporate review and external independent consultant review when deemed necessary. Historically, mining at South African deep-level gold mines has shown significant geological continuity, so that new mines were started based on limited surface borehole information. Customarily, geological models are primarily based on the definition of different sedimentary facies within each conglomerate horizon. These facies are extrapolated along palaeocurrent and grade trends into new, undeveloped areas taking into account inherent proximal to distal depositional relationships and any surface borehole data in those areas. Normally, these facies are continuous, supported by extensive historical sample databases, and can be incorporated in the kriging of large blocks.

Ghana

For the Tarkwa open pit operation, estimation of probable reserves is based on a combination of an initial 100- or 200-metre grid of diamond and reverse circulation (RC) drilling and proved reserves are typically based on drilling a 12.5-metre to 25-metre grid of RC drill holes. For the Damang open pit operation, estimation of probable reserves is based on a 40 metre to 80 metre grid of combined RC and diamond drilling and proved reserves on a five-metre by eight-metre grid up to a 20-metre grid, depending on the ore body type and geometry. Advance grade control drilling is employed in certain areas to provide detailed estimation to greater depths than normal grade control drilling (typically two to three times the normal GC depth) where information is required to confirm structural and grade trends. For the Asanko Gold Mine open pit operations, estimation of probable reserves is based on a nominal 40-metre grid of combined RC and diamond drilling and proved reserves on an average grid of five metres by 10 metres, taking into consideration the geological and grade continuity of the ore body.

Diamond drilling provides continuous (solid) core from diamond drill bits, using water and chemicals for lubrication. Consequently, diamond drilling provides greater resolution of geological parameters such as lithologies, alterations, mineralisation, rock hardness and structures.

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In surface drilling programmes, RC drilling provides chip samples from percussion hammers powered by compressed air. The chips are transferred to the surface up a central tube within the rods to eliminate contamination from the outer hole. Sampling is generally conducted at intervals relevant to the ore body block model and mining dimensions. RC drilling is generally quicker and less expensive than diamond drilling. However, there is a depth limitation to RC drilling and consequently all deep holes are conducted by diamond drilling.

Generally, exploration and infill drilling programmes will consist of a mix of RC and diamond drilling in order to provide the necessary geological resolution, as well as bulk analytical data for evaluation, geotechnical and geometallurgical purposes. Grade control drilling programmes use RC.

Australia

At the Australian operations, the estimation of reserves for both underground and open pit operations is based on exploration and sampling information gathered through appropriate techniques, primarily from diamond drilling, RC drilling, air-core and sonic drilling techniques. The locations of sample points are spaced close enough to deduce or confirm geological and grade continuity. Generally, drilling is undertaken on grids, which range between 20 metres by 25 metres for proved reserves and up to 40 metres by 60 metres typically for probable reserves, although this may vary depending on the continuity of the ore body. In underground operations mapping and sampling of development facies is used to supplement drilling information. Due to the variety and diversity of mineralisation at the Australian operations, sample spacing may also vary depending on each particular ore type.

Peru

For the Cerro Corona operation, estimation is based on diamond drill and RC holes. The spacing of holes at Cerro Corona is generally on a grid ranging from 40 metres to 60 metres for probable reserves with some areas approximating a 25-metre grid where geology becomes more complex. The blast hole rock chips are used as grade control samples and are drilled on an average 5.5-metre by 4.8-metre grid.

Chile

For the Salares Norte project, estimation is mostly based on diamond drill holes with a small number of RC drill holes. The average spacing of holes in the indicated resource is less than 25 metres and in the Inferred Resource is less than 40 metres. Some closer spaced drilling of about 10 to 15 metres has been completed on a few sections to test short-range variability of geology and gold grade domains.

Table of Contents**Reserve Statement**

As at 31 December 2018, Gold Fields had aggregate attributable proved and probable reserves of approximately 48.1 million ounces of gold and 691 million pounds of copper, as set forth in the following tables:

Gold ore reserve statement as at 31 December 2018⁽¹⁾										
	Proved reserves			Probable reserves			Total reserves			Attributable gold production in fiscal 2018 ⁽²⁾ (M oz)
	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	Tonnes (million)	Head Grade (g/t)	Gold (M oz)	
Underground (UG)										
South Africa										
South Deep ⁽³⁾⁽⁴⁾	10.72	6.0	2.08	154.67	5.6	27.69	165.39	5.6	29.77	0.17
Australia										
St. Ives	0.26	5.2	0.04	5.36	5.2	0.89	5.62	5.2	0.94	0.11
Granny Smith	1.11	4.9	0.18	11.47	5.6	2.06	12.57	5.5	2.24	0.28
Agnew ⁽⁵⁾	0.06	4.8	0.01	2.58	5.6	0.47	2.64	5.6	0.48	0.24
Total Underground	12.14	5.9	2.31	174.07	5.6	31.11	186.22	5.6	33.42	0.79
Surface (Production Stockpile)										
South Africa										
South Deep										
Ghana										
Tarkwa ⁽⁵⁾	11.83	0.8	0.29	53.98	0.4	0.69	65.80	0.5	0.98	
Damang ⁽⁵⁾	1.56	1.0	0.05				1.56	1.0	0.05	
Australia										
St. Ives ⁽⁵⁾	3.44	1.4	0.16				3.44	1.4	0.16	
Granny Smith	0.04	5.2	0.01				0.04	5.2	0.01	
Agnew	0.13	3.2	0.01				0.13	3.2	0.01	
Peru										
Cerro Corona	4.04	0.8	0.11				4.04	0.8	0.11	
Surface (Open Pit) Ghana										
Tarkwa ⁽⁴⁾	39.18	1.2	1.56	70.09	1.2	2.66	109.27	1.2	4.22	0.47
Damang ⁽⁴⁾	4.97	1.4	0.23	19.47	1.9	1.18	24.43	1.8	1.4	0.16
Australia										
St. Ives ⁽⁴⁾	1.39	1.6	0.07	8.65	2.1	0.58	10.04	2.0	0.65	0.26
Gruyere Gold Project	8.58	1.1	0.31	38.54	1.3	1.58	47.12	1.3	1.89	
Granny Smith										
Agnew				0.92	2.4	0.07	0.92	2.4	0.07	
Chile										
Salares Norte				21.08	5.1	3.48	21.08	5.1	3.48	

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Peru

Cerro Corona	45.65	0.8	1.14	29.82	0.5	0.49	75.47	0.7	1.62	0.14
Total Surface	119.24	1.0	3.87	244.10	1.4	10.78	363.34	1.3	14.65	1.04
Grand Total	131.38	1.5	6.18	418.17	3.1	41.89	549.56	2.7	48.07	1.83

Totals by Mine

South Deep	10.72	6.0	2.08	154.67	5.6	27.69	165.39	5.6	29.77	0.17
Tarkwa	51.01	1.1	1.85	124.07	0.8	3.36	175.07	0.9	5.20	0.47
Damang	4.97	1.4	0.23	21.02	1.8	1.23	25.99	1.7	1.45	0.16
St. Ives	5.08	1.7	0.27	14.01	3.3	1.47	19.09	2.8	1.74	0.37
Granny Smith	1.15	4.9	0.18	11.47	5.6	2.06	12.61	5.5	2.25	0.28

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Gold ore reserve statement as at 31 December 2018⁽¹⁾										
	Proved reserves			Probable reserves			Total reserves			Attributable gold production in fiscal 2018⁽²⁾
	Head		Gold	Head		Gold	Head		Gold	
	Tonnes	Grade		Tonnes	Grade		Tonnes	Grade		
	<i>(million)</i>	<i>(g/t)</i>	<i>(M oz)</i>	<i>(million)</i>	<i>(g/t)</i>	<i>(M oz)</i>	<i>(million)</i>	<i>(g/t)</i>	<i>(M oz)</i>	<i>(M oz)</i>
Darlot										0.04
Agnew	0.19	3.7	0.02	3.50	4.8	0.54	3.69	4.7	0.56	0.24
Gruyere Gold Project	8.58	1.1	0.31	38.54	1.3	1.58	47.12	1.3	1.89	
Salares Norte				21.08	5.1	3.48	21.08	5.1	3.48	
Cerro Corona	49.69	0.8	1.24	29.82	0.5	0.49	79.51	0.7	1.73	0.14
Grand Total	131.38	1.5	6.18	418.17	3.1	41.89	549.56	2.7	48.07	1.83

Notes:

- (1) (a) Quoted as mill delivered metric tonnes and Run of Mine (RoM) grades, inclusive of all mining dilutions and gold losses except mill recovery. Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical recovery factors are as follows: (i) South Deep 96.5%; (ii) Tarkwa 97.2%; (iii) Damang 91%; (iv) St. Ives 60% to 96%; (v) Agnew 92.1%; (vi) Granny Smith 92.2%; (vii) Gruyere 91%; (viii) Cerro Corona 69.5% for gold and 86.5% for copper; and (ix) Salares Norte 92.7% for gold and 67.5% for silver (planned). The metallurgical recovery is the ratio, expressed as a percentage, of the mass of the specific mineral product actually recovered from ore treated at the plant to its total specific mineral content before treatment. The South African operations have a consistent metallurgical recovery, while the recoveries on the international operations vary according to the mix of the source material and method of treatment.
- (b) The metal prices used for the 2018 LoM plans were as follows: for the Ghana operations, ore reserve figures are based on an optimised pit at a gold price of U.S.\$1,200 per ounce. For the Australian operations, ore reserve figures are based on a gold price of A\$1,600 per ounce (at an exchange rate of A\$1.33 per U.S.\$1.00). Open pit ore reserves at the Australian operations are similarly based on optimised pits and the underground operations on appropriate mine design and extraction schedules. At South Deep, a gold price of R525,000 per kilogram (at an exchange rate of R13.6 per U.S.\$1.00) was applied in valuing the ore reserve. The gold price used for reserves approximates the three-year trailing average (U.S.\$1,258/oz), calculated on a monthly basis, of the London afternoon fixing price of gold. For the Cerro Corona gold reserves, the optimised pit is based on a gold price of U.S.\$1,200 per ounce and a copper price of U.S.\$2.8 per pound. The reserves used a copper price of U.S.\$2.5 per pound for fiscal 2018 and 2019 and U.S.\$2.8 per pound from fiscal 2020 onwards. Due to the nature of the deposit and the importance of net smelter returns, the gold and copper prices need to be considered together.
- (c) Dilution relates to planned and unplanned waste and/or low-grade material being mined and delivered to the mill. Ranges are given for those operations that have multiple ore body styles and mining methodologies. The mine dilution factors are as follows: (i) South Deep 11.1%; (ii) Tarkwa 30cm hanging wall and 20cm footwall; (iii) Damang 17% to 25% (hydrothermal) and 50cm (hanging wall and foot wall) (palaeoplacer);

- (iv) St. Ives 15% to 52% (open pits) and 11% to 25% (underground); (v) Agnew/Lawlers 20%; (vi) Granny Smith 15%; (vii) Gruyere 5%; and (viii) Cerro Corona 0%.
- (d) The mining recovery factor relates to the proportion or percentage of ore mined from the defined ore body at the gold price used for the declaration of reserves. This percentage will vary from mining area to mining area and reflects planned and scheduled reserves against total potentially available reserves (at the gold price used for the declaration of reserves), with all modifying factors, mining constraints and pillar discounts applied. The mining recovery factors are as follows: (i) Tarkwa 100%; (ii) Damang 95%; (iii) St. Ives 91% to 100% (open pits) and 90% to 97% (underground); (iv) Agnew/Lawlers 90% (underground) and 83% (open pit); (v) Granny Smith 91%; (vi) South Deep 83%; (vii) Gruyere 99.6%; and (viii) Cerro Corona 98%.
- (e) The cut-off grade may vary per shaft, open pit or underground mine, depending on the respective costs, depletion schedule, ore type and dilution. The following are the average or range of cut-off grade values applied in the planning process: (i) South Deep 4.1 g/t to 4.5 g/t; (ii) Tarkwa 0.42 g/t for mill feed; (iii) Damang 0.72 g/t to 0.77 g/t for fresh ore and 0.56 g/t to 0.60 g/t for oxide ore; (iv) St. Ives 0.35 to 0.4 g/t for mill feed open pit, and 2.0 g/t to 2.7 g/t for mill feed underground; (v) Agnew/Lawlers 2.6 g/t to 4.2 g/t mill feed underground; (vi) Granny Smith 2.4 g/t to 3.2 g/t; (vii) Gruyere 0.3 g/t to 0.5 g/t; and (viii) Cerro Corona U.S.\$14.25/t net smelter return (combined copper and gold).
- (f) Totals may not sum due to rounding. Where this occurs, it is not deemed significant.
- (g) An ounces-based Mine Call Factor based primarily on historic performance but also on realistic planned improvements where appropriate is applied to the reserves. The following Mine Call Factors have been applied: Damang 95%, Tarkwa 97%, with Agnew/Lawlers, Granny Smith, St. Ives, Gruyere, South Deep and Cerro Corona at 100%.
- (2) Actual gold/copper produced after metallurgical recovery.
- (3) Based on life of mine ownership share due to step-up of minority interest over time.
- (4) In line with other international operations, all South Deep reserves are classed as above infrastructure, as the reserves will be accessed by means of ongoing declines from current infrastructure.
- (5) Includes some gold produced from stockpile material, which cannot be separately measured.

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The following table sets forth the proved and probable copper reserves of the Cerro Corona mine as at 31 December 2018 that are attributable to Gold Fields:

	Copper ore reserve statement as at 31 December 2018⁽¹⁾⁽²⁾									Attributable copper production in fiscal 2018⁽²⁾
	Proved reserves			Probable reserves			Total reserves			
	Tonnes	Grade	Cu	Tonnes	Grade	Cu	Tonnes	Grade	Cu	
<i>(million)</i>	<i>(%)</i>	<i>(M lb)</i>	<i>(million)</i>	<i>(%)</i>	<i>(M lb)</i>	<i>(million)</i>	<i>(%)</i>	<i>(M lb)</i>	<i>(M lb)</i>	
Surface (Open Pit & Stockpiles) Peru										
Cerro Corona	49.7	0.4	445	29.8	0.4	246	79.5	0.4	691	67

Notes:

- (1) Metallurgical recovery factors have not been applied to the reserve figures. The approximate metallurgical recovery factor for copper at Cerro Corona is 87%.
- (2) For the copper reserves, the optimised pit is based on a gold price of U.S.\$1,200 per ounce and a copper price of U.S.\$2.80 per pound, which, due to the nature of the deposit, need to be considered together.
- The following table sets forth the proved and probable silver reserves of the Salares Norte project as at 31 December 2018 that are attributable to Gold Fields:

	Silver ore reserve statement as at 31 December 2018⁽¹⁾⁽²⁾									Attributable silver production in fiscal 2018⁽²⁾
	Proved reserves			Probable reserves			Total reserves			
	Head	Head	Head	Head	Head	Head	Head	Head	Head	
Tonne	Grade	Silver	Tonnes	Grade	Silver	Tonnes	Grades	Silver	2018⁽²⁾	
<i>(million)</i>	<i>(g/t)</i>	<i>(M oz)</i>	<i>(million)</i>	<i>(g/t)</i>	<i>(M oz)</i>	<i>(million)</i>	<i>(g/t)</i>	<i>(M oz)</i>	<i>(M lb)</i>	
Surface (Open Pit & Stockpiles) Chile										
Salares Norte			21.08	57.9	39.26	21.08	57.9	39.26		

Notes:

- (1) Metallurgical recovery factors have not been applied to the reserve figures. The planned metallurgical recovery factor for silver at Salares Norte is 67.5%.
- (2) For the silver reserves, the optimised pit is based on a gold price of U.S.\$1,200 per ounce and a silver price of U.S.\$17.5 per ounce, which, due to the nature of the deposit, need to be considered together.

Table of Contents**Gold and Copper Price Sensitivity**

The amount of gold mineralisation that Gold Fields can economically extract, and therefore can classify as reserves, is sensitive to fluctuations in the price of gold. The following table indicates Gold Fields' attributable reserves at different gold prices that are 10 per cent. above and below the base case presented in the gold reserve statement table above for operating mines. The reserve sensitivities are, however, not based on detailed depletion schedules and should be considered on a relative and indicative basis only.

	-10%	Base (Moz)	+10%
South Deep ⁽¹⁾	25.80	29.77	31.37
Tarkwa	4.06	5.20	5.66
Damang	1.17	1.45	1.62
St. Ives ⁽²⁾	1.28	1.74	1.97
Agnew/Lawlers ⁽²⁾	0.44	0.56	0.65
Granny Smith ⁽²⁾	2.19	2.25	2.37
Cerro Corona	1.70	1.74	1.76

Notes:

(1) The equivalent gold prices used for the sensitivities in South Africa are R470,000/kg, R525,000/kg and R580,000/kg.

(2) The equivalent gold prices used for the sensitivities in Australia are A\$1,440/oz, A\$1,600/oz and A\$1,760/oz. The London afternoon fixing price for gold on 22 March 2019 was U.S.\$1,311 per ounce. Gold Fields' attributable gold reserves decreased from 49.0 million ounces at 31 December 2017 to 48.1 million ounces at 31 December 2018 due to geotechnical redesign and increased cut-off grade at South Deep, as well as mining depletion at all operations, offset by discovery, ore body extensions, resource to reserve conversion, resource modelling, mine design enhancements and the maiden reserve declaration at Salares Norte.

The London Metal Exchange (LME) cash settlement price for copper on 22 March 2019 was U.S.\$6,375 per tonne.

Gold Fields' methodology for determining its reserves is subject to change and is based upon estimates and assumptions made by management regarding a number of factors as noted above under *Methodology*. Accordingly, the sensitivity analysis of Gold Fields' reserves provided above should not be relied upon as indicative of what the estimate of Gold Fields' reserves would actually be or have been at the gold or copper prices indicated, or at any other gold or copper price, and neither should it be relied upon as a basis for estimating Gold Fields' ore reserves based on the current gold or copper price or what Gold Fields' reserves will be at any time in the future. See *Risk Factors* *Gold Fields' mineral reserves are estimates based on a number of assumptions, which, if changed, may require Gold Fields to lower its estimated mineral reserves*.

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DESCRIPTION OF MINING BUSINESS

The discussion below provides a general overview of the mining business as it applies to Gold Fields.

Exploration

Exploration activities are focused on replacing production depletion and on growth in ore reserves to maintain operational flexibility and sustainability. The Group focuses on the extension of existing ore bodies and the discovery and delineation of new ore bodies both at existing sites and at undeveloped sites. Once a potential ore body has been discovered, exploration is extended and intensified in conjunction with comprehensive infill drilling, in order to enable clearer definition of the ore body and its technical and economic characteristics to profile the potential portions to be mined. Geological, geochemical, geophysical, geostatistical, geotechnical and geometallurgical techniques are constantly refined to improve effectiveness and the economic viability of prospecting and mining activities.

Mining

Gold Fields currently mines only gold, with copper and silver as by-products. The mining process comprises two principal activities: (i) developing access to the ore body; and (ii) extracting the ore body once accessed. These two processes apply to both surface and underground mines.

Underground Mining

Developing access to the ore body

For Gold Fields South African underground mine, primary access to the ore body is provided through vertical shaft systems, while access is through single or multiple decline haulages extended from surface portals at the Australian operations. Horizontal and decline development at various intervals of the shaft or main decline, known as levels, extend laterally and provide access to the ore horizon. Ore drives open up the ore body for mining.

Extracting the ore body

Once an ore body has been accessed and opened up for mining, production activities consisting of drilling, blasting, cleaning and supporting are carried out on a daily basis.

At South Deep, the broken ore is loaded from the stope, development and destress facies into trucks using mechanical loaders and hauled along corridors to ore pass systems which connect the corridors to the cross cuts below. The broken ore from the development ends are loaded and hauled to ore pass systems by means of Load Haul Dumpers. The ore is then transported by rail or conveyor and tipped into the shaft transfer system, after which it is hoisted to surface. Mining methods employed include destress mining (to provide the appropriate geotechnical conditions for subsequent development stoping), long hole open stoping (for reef targets greater than 15 metres in height) and drifting and benching (for reef targets less than 15 metres in height). The mining voids generated once the ore is removed are filled with treated tailings product termed backfill, which provides ground support for the mined-out areas.

At the Australian underground operations, the broken ore is loaded straight from the stope face into trucks, using mechanical loaders, and hauled to the surface by underground dump trucks via the decline. Application of backfill to the mined-out areas is based on local conditions and is not always required in shallow underground mining areas.

Open Pit Mining

Opening up the ore body

In open pit mining, access to the ore body is achieved by stripping the overburden in benches of fixed height to expose the ore below. This is most typically achieved by drilling and blasting an area, loading the broken rock

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with excavators into dump trucks and hauling the rock and/or soil to dumps. The overburden material is placed on designated waste rock dumps.

Extracting the ore body

Extraction of the ore body in open pit mining involves the same activity as in stripping the overburden. Lines are established on the pit floor demarcating ore from waste material and the rock is then drilled and blasted. Post blasting, the ore is loaded into dump trucks and hauled to the crusher at the metallurgical plant or stockpile, while the waste is hauled to waste rock dumps.

Rock Dump and Production Stockpile Mining

Gold Fields mines surface rock dumps and production stockpiles using mechanised earth-moving equipment.

Mine Planning and Management

Operational and planning management on the mines receives support from regional technical support functions as well as corporate management. The current philosophy is one of top-down/bottom-up management, with the operational and commercial objectives at each mine defined by the personnel at the mine based on parameters, objectives and guidelines provided by Gold Fields corporate office. This is based on the premise that the people on the ground have the best understanding of the local business and what is realistically achievable.

Each operation identifies a preferred strategic option, which, once approved by Gold Fields Executive Committee (the Executive Committee), is used to inform how the detailed one year operational plan is configured, which is rolled out into a life of mine plan, prior to the commencement of each fiscal year. The plans are based on financial parameters determined by the Executive Committee. See *Annual Financial Report Corporate Governance Report Board committees Executive Committee*. The operational plan is presented to the Executive Committee, which takes it to the Board for approval before the commencement of each fiscal year. The planning process is anchored by a Group planning calendar, and is sequential and based upon geological models, evaluation models, resource models, metal prices, mine design, depletion schedules and, ultimately, financial analysis. Capital planning is formalised pursuant to Gold Fields capital spending planning process. Projects are categorised and reviewed in terms of total expenditure, return on investment, net present value and impact on AIC per ounce and all projects involving amounts exceeding R360 million (South Africa), A\$40 million (Australia) and U.S.\$40 million (Ghana/Peru) are submitted to the Board for approval. Material changes to the plans have to be referred back to the Executive Committee and the Board.

Capital Expenditure

Gold Fields spent U.S.\$814.2 million, U.S.\$833.6 million and U.S.\$628.5 million in capital expenditure during fiscal 2018, 2017 and 2016, respectively. The major expenditure items in fiscal 2018 were U.S.\$58.3 million on development and equipping of the South Deep mine, U.S.\$38.5 million on development of the Waroonga and New Holland underground complexes at Agnew/Lawlers, U.S.\$113.6 million on capital waste stripping at Damang, U.S.\$26.4 million on tailings storage facility at Cerro Corona, U.S.\$36.5 million on development of the Wallaby underground mine at Granny Smith, U.S.\$133.3 million on capital waste stripping at Tarkwa, U.S.\$76.2 million on underground and open pit development at St. Ives and U.S.\$134.3 million on the Gruyere project. The major expenditure items in fiscal 2017 were U.S.\$82.4 million on the development and equipping of the South Deep mine, U.S.\$39.9 million on development and infrastructure of the Waroonga and New Holland underground complexes at Agnew/Lawlers, U.S.\$96.1 million on capital waste stripping and U.S.\$19.9 million on construction of the tailings storage facility at Damang, U.S.\$16.2 million on the tailings storage facility at Cerro Corona, U.S.\$59.6 million on

development of the Wallaby underground mine at Granny Smith, U.S.\$124.3 million on capital waste stripping at Tarkwa and U.S.\$107.4 million on underground and open

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pit development at St. Ives. The major expenditure items in 2016 were U.S.\$77.9 million on the development and equipping of the South Deep mine, U.S.\$39.6 million on development and infrastructure of the Waroonga and New Holland underground complexes at Agnew/Lawlers, U.S.\$25.8 million on capital waste stripping at Damang, U.S.\$16.4 million on the tailings storage facility at Cerro Corona, U.S.\$32.3 million on development of the Wallaby underground mine at Granny Smith, U.S.\$126.2 million on capital waste stripping at Tarkwa and U.S.\$88.7 million on underground and open pit development at St. Ives. For more information regarding Gold Fields' capital expenditure, see *Annual Financial Report Management's discussion and analysis of the financial statements Capital Expenditures*, *Annual Financial Report Management's Discussion and Analysis of the Financial Statements Liquidity and Capital Resources Years Ended 31 December 2018 and 31 December 2017* and *Annual Financial Report Management's discussion and analysis of the financial statements Liquidity and Capital Resources Years Ended 31 December 2017 and 31 December 2016*.

For a discussion of growth and sustaining capital expenditures, please see *Annual Financial Report Management's discussion and analysis of the financial statements All-in sustaining and all-in costs*.

Growth capital expenditures for 2015 and 2014 were U.S.\$14.2 million and U.S.\$38.5 million, respectively. Sustaining capital expenditures for 2015 and 2014 were U.S.\$599.9 million and U.S.\$555.7 million, respectively.

AIC

Please see *Integrated Annual Report Safe Operational Delivery* for the Company's historical AIC. In 2013, the Company's AIC for continuing and discontinued operations was U.S.\$1,312/oz,

Processing

Gold Fields has seven active gold processing facilities (one in South Africa, two in Ghana, three in Australia and one in Peru). A typical processing plant includes two stages: comminution (crushing and grinding the ore) and then gold recovery (typically flotation, leaching, carbon adsorption, carbon stripping/EW and/or smelting).

Comminution

Comminution is the process of crushing and breaking up the ore to expose and liberate the gold and make it available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory or cone crushers followed by rod, semi-autogenous grinding (SAG) and/or ball mills. For the milling step most of Gold Fields' processing plants utilise both SAG and ball mills where the ore itself and steel balls are used as the primary grinding media. Through the comminution process, ore is ground to a pre-determined size before proceeding to the gold recovery stage.

Gold Recovery

In most of the Gold Fields' processing plants, gold is extracted into solution by leaching with cyanide in agitated slurry tanks. The gold is then adsorbed onto activated carbon from the solution using either the carbon in leach (CIL) process or the carbon in pulp (CIP) process. The activated carbon is removed from the tanks, eluted in pressurised columns and the gold then recovered by electrowinning.

Most of the Gold Fields' plants also utilise gravity recovery circuits that use a centrifugal concentrator to recover coarse free gold based on density differences. This gravity gold recovery step is usually undertaken within the grinding stage of the processing plant before the ore progresses to CIL or CIP.

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As the final recovery step, the gold recovered by the electrowinning cells is smelted in a furnace to produce gold doré bars. These gold bars are transported to a refinery that is responsible for further refining.

At Cerro Corona, gold/copper concentrate is recovered using a standard flotation process. The concentrate is shipped to a third-party smelter for further processing. The Cerro Corona processing plant therefore does not have a CIL or CIP circuit.

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Refining and Marketing

South Africa

The South Deep Joint Venture entered into a new refining agreement with Rand Refinery Proprietary Limited (Rand Refinery) in 2013. Rand Refinery is a non-listed private company in which Gold Fields holds a 2.8 per cent. interest, with the remaining interests held by other South African gold producers.

This refining agreement superseded and replaced any and all previous refining agreements between the South Deep Joint Venture and Rand Refinery. Pursuant to this refining agreement, Rand Refinery undertook, among other things, to (i) refine all unrefined gold produced by South Deep, (ii) on each delivery date of unrefined gold to Rand Refinery, notify Gold Fields treasury department in writing of the estimated gold and/or silver content of the unrefined gold so delivered, expressed in troy ounces, and (iii) retain the refined gold and the refined silver for the South Deep Joint Venture pending written instructions from Gold Fields treasury department that the refined gold and/or refined silver have been sold and may be delivered to the buyer in accordance with the buyer's instructions. Rand Refinery assumes responsibility for the unrefined gold upon arrival of the unrefined gold at the Rand Refinery premises in Johannesburg, South Africa. Rand Refinery invoices the South Deep Joint Venture with the refining charges, who then arranges for direct settlement to Rand Refinery. The refining agreement will continue indefinitely until either party terminates it upon at least 12 months' written notice.

Gold Fields treasury department sells all the refined gold produced by South Deep to authorised counterparties at a price benchmarked against the LBMA Gold PM Auction Price, or the LBMA Gold AM Auction Price.

Silver is accumulated and sold on a quarterly basis by Gold Fields, treasury to either Rand Refinery, or to an authorised counterparty at a price benchmarked against the LBMA silver price.

Ghana

Gold produced at the Tarkwa and Damang mines is refined by MKS (Switzerland) S.A. (MKS) pursuant to refining agreements entered into by Gold Fields Ghana (in respect of the Tarkwa mine) and Abooso (in respect of the Damang mine) with MKS. Under these agreements, MKS collects the gold from either the Tarkwa or Damang mine and transports it either to its Switzerland refinery or to its Indian refinery where the gold is then refined. The MKS refinery in India will be the default designated refinery unless either party provides the other party with notice to the effect that a shipment of gold must be transported to MKS's refinery in Switzerland, provided that MKS shall only be entitled to provide Gold Fields Ghana (Tarkwa operation) and Abooso (Damang operation) with such notice if (i) the arrival date of the gold at the refinery will fall on a day other than a business day in India or during a period of weak physical demand for gold in India; or (ii) the Indian import regulations for the gold have materially and adversely changed.

Once the gold has been refined, the Tarkwa and Damang operations shall be entitled to (i) sell the refined gold through Gold Fields treasury department, acting as agent for and on their behalf; or (ii) require MKS to purchase the refined gold; or (iii) request a prepayment in respect of the refined gold. All sales are benchmarked against the afternoon LBMA Gold PM Auction Price. The LBMA, which is an electronic price-discovery process, replaced the London gold price fixing mechanism on 20 March 2015. The LBMA sets the price twice daily, at 10:30 and 15:00 London time. The LBMA Gold Price is operated and administered by an independent third-party provider, ICE Benchmark Administration (the IBA), who were chosen following consultation with market participants. IBA provides the price platform, methodology as well as the overall administration and governance for the LBMA Gold Price. The IBA's platform provides an electronic, auction-based, tradeable, auditable and fully IOSCO-compliant solution for the London bullion market. MKS assumes responsibility for the gold upon collection at either the Tarkwa

or Damang mine.

Silver is accumulated and sold on a quarterly basis to MKS, at the LBMA silver price on the date of sale.

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The termination date for the MKS refining agreements was 31 March 2018, with automatic month to month renewal. Gold Fields expects to execute new refining agreements which expire on 31 December 2021 in early 2019, but the month-to-month arrangement is still in place pending the execution of the agreements.

Australia

In Australia, all gold produced by St. Ives, Agnew/Lawlers, and Granny Smith, each owned by an Australian operating company, is refined by the Perth Western in Western Australia. The Perth Mint applies competitive charges for the collection, transport and refining services. The Perth Mint takes responsibility for the unrefined gold at collection from each of the operations where they engage a sub-contractor, Brinks Australia. Brinks delivers the unrefined gold to the Perth Mint where it is refined and the refined ounces of gold and silver are credited to the relevant metal accounts held by each Australian Operating Company with the Perth Mint. The arrangement with the Western Australian Mint continues indefinitely until terminated by either party upon 90 days written notice.

Gold Fields treasury department in the corporate office in Johannesburg, South Africa sells all the refined gold produced by the Australian Operating Companies. On collection of the unrefined gold from an Australian Operating Company's mine site, the relevant Australian Operating Company will notify Gold Fields treasury department of the estimated refined gold content, expressed in troy ounces, available for sale. After such confirmation, Gold Fields treasury department will sell the refined gold to authorised counterparties at a price benchmarked against the LBMA Gold PM Auction Price. All silver is sold to the Perth Mint at the LBMA silver price on the last business day of each month.

Peru

Gold Fields La Cima S.A. (La Cima) has two main long-term contracts for the sale of approximately 70 per cent. of concentrate from the Cerro Corona mine, one with a Japanese refinery and one with a European refinery. All production in excess of the amounts sold under long-term contracts is sold locally to globally trading entities.

Risk is transferred to the client when the concentrate is loaded at the port of Salaverry, Peru for international sales (cost, insurance and freight (CIF) intercom) sales or at a Salaverry warehouse for local sales (based on ex works (EXW) or carriage paid to (CPT) incoterms). Pricing for copper under each of the contracts is based on the daily LME settlement price for copper. Pricing for gold under each of the contracts is based on the daily average of the LBMA morning and afternoon fixing price. As in previous years, La Cima's strategy is based on building strong business relationships with smelters and traders, which allows for a regular destination for its concentrate. Uncommitted production is expected to be delivered locally in the spot market to allow for production variances and inventory management.

The Gold Mining Industry

Background

Gold is a dense, relatively soft and rare precious metal which occurs in natural form as nuggets or grains in ore, underground veins and alluvial deposits. Gold mining operations include both underground and open pit operations with gold currently able to be commercially extracted from ore grades in amounts as low as 0.5 grams/metric tonne (open pit). The majority of gold production is used for jewellery production and for investment purposes, in the latter case because some investors view it as a store of value against inflation. In addition, certain physical properties of gold, including its malleability, ductility, electric conductivity, resistance to corrosion and reflectivity, make it the metal of choice in a number of industrial applications.

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Global Markets

Demand

See *Integrated Annual Report Our business Our operating context* .

Supply

Supply of gold consists of new production from mining, the recycling of gold scrap and releases from existing stocks of bullion. Mine production represents the most important source of supply. Management believes that long-term gold supply issues will act to support a recovery in the gold price. According to the WGC, total gold supply grew marginally by 1 per cent. in fiscal 2018, supported by similar year over year increase in mine production and recycled gold, following a decline in fiscal 2017. Total mine production for fiscal 2018 was 3,346.9 tonnes, rising fractionally compared to fiscal 2017 production.

This trend is set to continue. The Gold Fields Mineral Services Ltd. consultancy predicts a further drop in mine production in 2019, due to lower production at more mature mines, a decline in average grades at most gold operations and a lack of new mines coming on stream. Many analysts believe peak mine production was reached in 2015, coinciding with a high in gold discoveries in the mid-1990s and assuming an average 20-year development cycle. Goldman Sachs has stated that there may be only 20 years of known mineable reserves of gold left.

Price

The market for gold is relatively liquid compared to other commodity markets, with London being the world's largest gold trading market. Gold is also actively traded via futures and forward contracts. The price of gold has historically been significantly affected by macroeconomic factors, such as inflation, exchange rates, reserves policy and by global political and economic events, rather than simple supply/demand dynamics. Gold is often purchased as a store of value in periods of price inflation and weakening currency. The price of gold has historically been less volatile than that of most other commodities. In 2015, the price of gold fell by 10 per cent. but recovered by 8.5 per cent. in 2016 and improved further by 1 per cent. in 2017, falling again by 2 per cent. in 2018. The closing gold price on 31 December 2018 was U.S.\$1,280 per ounce. In 2018, the spot gold price was as high as U.S.\$1,355 and as low as U.S.\$1,178.

Top Producers

Based on fiscal 2018 production, the first, second, third and fourth largest gold producers in the world were Newmont, Barrick, AngloGold Ashanti and Kinross, respectively. According to publicly available sources, at 31 December 2018, Newmont had 12 operations in five countries, Barrick had 10 operations in eight countries, AngloGold Ashanti had 14 operations in ten countries and Kinross had 8 operations in seven countries. In fiscal 2018, Gold Fields was the seventh largest gold producer in the world.

Guidance for 2019

Gold Fields' strategic review for fiscal 2019 takes into account a largely unchanged gold price and our budgets have been built around an anticipated average price of U.S.\$1,200/oz. The investment in our business is a priority for fiscal 2019, which includes U.S.\$69 million for Damang, U.S.\$74 million for Gruyere and U.S.\$57 million for Salares Norte. As a result, our AIC cost guidance for fiscal 2019 is U.S.\$1,075/oz – U.S.\$1,095/oz compared to U.S.\$1,190/oz – U.S.\$1,210/oz in fiscal 2018. The guidance for AISC is U.S.\$980/oz – U.S.\$995/oz compared to U.S.\$990/oz

U.S.\$1,010/oz in fiscal 2018.

Capital expenditure for the year is forecast to fall to U.S.\$633 million (fiscal 2018: U.S.\$814 million). Our production guidance for the year is 2.13 to 2.18 million attributable ounces, compared with the 2.04 million attributable ounces achieved in fiscal 2018.

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ENVIRONMENTAL AND REGULATORY MATTERS

South Africa

Environmental

Gold Fields' South African operation is subject to various laws relevant to its activities that relate to the protection of the environment. South Africa's Constitution grants the people of South Africa the right to an environment that is not harmful to human health or wellbeing and to the protection of that environment for the benefit of present and future generations through reasonable legislative and other measures. The South African Constitution and the National Environmental Management Act, No. 107 of 1998 (NEMA), as well as various other related pieces of legislation enacted, grant legal standing to a wide range of interest groups to bring legal proceedings to enforce their environmental rights, which are enforceable against private entities as well as the South African government.

South African environmental legislation commonly requires businesses whose operations may have an impact on the environment to obtain permits, authorisations and other approvals for those operations. The applicable environmental legislation also imposes general compliance requirements and incorporates the 'polluter pays' principle.

The South African Government has initiated the 'One Environmental System' to streamline the licensing processes for mining, environmental authorisations and water use. Under the One Environmental System, the Department of Mineral Resources (DMR) is the competent authority to grant environmental authorisations under NEMA. The DEA is the appeal authority for these authorisations. Directors may be held liable under the provisions of NEMA for any environmental degradation and/or the remediation thereof. NEMA has been amended to provide that every holder of a mining right will remain responsible for any environmental liability due to pollution or ecological degradation. They will also remain responsible for the pumping and treatment of polluted or extraneous water and the management and sustainable closure thereof.

South African mining companies are required by law to undertake rehabilitation work as part of their ongoing operations in accordance with an approved environmental management plan (EMP), which includes a mine closure plan. Gold Fields funds its ongoing environmental rehabilitation costs as part of its operating cash flows. Gold Fields' long-term closure costs are funded by making cash contributions into an environmental trust fund. The difference between the cash closure contributions made to the environmental trust fund to date and the final closure cost estimate are funded through insurance guarantees. These costs are collectively referred to as the 'financial provision'. The Environmental Minister has published Proposed Amendments to the Regulations Pertaining to the Financial Provision for Prospecting, Exploration, Mining or Production Operations (the Financial Provision Regulations) from 2015, which were published in terms of NEMA on 20 November 2015 and amended by the Minister of Environmental Affairs on 26 October 2016. The mining industry has been engaging the DEA regarding the Financial Provision Regulations and the proposed amendments. Further revisions and proposed amendments to the Financial Provision Regulations have since been published, the latest of which was dated 21 September 2018. The latest amendments include the repeal of the 2016 Financial Provision Regulations and the extension of the deadline for compliance with the Financial Provision Regulations to 19 February 2020.

The Financial Provision Regulations apply to holders of mining rights and require such holders to review and align their approved financial provision by undertaking a review of the provisioning in accordance with the Financial Provision Regulations by February 2020. In addition, the regulations require the addition of CPI plus 2 per cent. and value added tax (VAT) to the financial provision calculation, which would substantially increase the financial provision from the baseline. Holders will be regarded as having complied with the provisions of the Financial Provision Regulations until 19 February 2020, provided that these holders have complied with the financial

provisioning obligations imposed by the MPRDA. A further and more substantial amendment to the Financial Provision Regulations is anticipated in 2019.

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In line with the One Environmental System, the National Water Act, No. 36 of 1998 (the NWA) requires the DWS to align and integrate the process for consideration of a water use licence with the timeframes of applications for prospecting and mining rights under the MPRDA and environmental authorisations under NEMA. A water use licence is required before mining operations can commence and the NWA includes a provision which gives a third party the right to appeal directly to the Minister of Water and Sanitation regarding such an application. An appeal by a third party may therefore delay a mining project despite the grant of a mining right and environmental authorisation.

Under the NWA, all water in the hydrological cycle is under the custodianship of the South African government held in trust for the people of South Africa. Water users are required to re-register their water uses under the NWA. In addition, the NWA governs waste and waste water discharges that may affect a water resource. The South African government uses various policy instruments and mechanisms, such as the water use licence regime and the proposed waste discharge charge system, to ensure compliance with prescribed standards and water management practices according to the user pays and polluter pays principles and to shift some of the treatment and clean-up cost back to the polluters. Gold Fields continues to use all reasonable and practical measures to remove underground water to permit the routine safe functioning of South Deep. South Deep was issued with a water use licence in November 2011 by the DWS. Certain conditions and other aspects of the approved licence were identified as requiring modification and an application to address these was submitted to the DWS. The amendment application was processed and approved by the DWS in December 2018.

Under the National Environmental Management Air Quality Act, No. 39 of 2004 (the Air Quality Act), the South African government has established minimum emission standards for certain activities which result in air emissions and for which atmospheric emissions licences (AELs) must be held. Non-compliance with the minimum emissions standards under the Air Quality Act is an offence. South Deep mine undertakes activities which result in atmospheric emissions, as provided for by the Air Quality Act, and holds a registration certificate authorising such activities under previous legislation. An air quality licence was issued to South Deep in January 2016 by the Rand West City Local Municipality, authorising South Deep to undertake smelting activities under the National Environmental Air Quality Act. Gold Fields developed an Air Quality Management Plan in 2015 in an effort to ensure it complies with the applicable requirements of the Air Quality Act, including the new minimum emissions standards.

On 5 February 2019, the Finance Standing Committee approved a Carbon Tax Bill. On 19 February 2019 Parliament's National Assembly approved the Bill which will now be sent to Parliament's National Council of Provinces to be debated and voted upon and then sent to the President for his assent and signature, upon which the Bill is expected to become law and come into effect on 1 June 2019. For more information regarding the Carbon Tax Bill, see *Risk Factors Regulation of greenhouse gas emissions and climate change issues may materially adversely affect Gold Fields operations*.

The National Treasury and DEA discussed the options for aligning the carbon tax with the carbon budgets during several meetings held in June and July 2018. Since the Climate Change Bill has not been promulgated, the Carbon Tax Bill cannot be amended to reflect this alignment at this stage. Once the Climate Change Bill is assented to as an act of parliament, the Carbon Tax Act can then be amended accordingly. It is proposed that where an entity's allocated carbon budget is below the level of total emissions reported by that entity, the carbon tax will apply as follows: (a) for emissions up to the level of the carbon budget, the current carbon tax design will apply at a tax rate of R120 adjusted in line with annual increases and all the tax free allowances will apply; and (b) for emissions exceeding the carbon budget, a higher tax rate of R600/tCO₂e will apply. Where the carbon budget allocated to an entity is equal to the total emissions reported by an entity, the current carbon tax design applies, and the carbon budget allowance falls away. Carbon budgets have yet to be set or negotiated for mining companies, other than coal mining companies.

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The National Environmental Management Waste Act, No. 59 of 2008 (the Waste Act) provides for responsible waste management. Gold Fields is currently in compliance with the Waste Act. South Deep has one

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waste disposal facility which is currently dormant. The site consists of different waste streams, including waste that has radiation levels that are slightly above background levels, being the naturally occurring levels in geology. There is a duty to rehabilitate this dormant site. South Deep has included the site in the rehabilitation plan and rehabilitation commenced during fiscal 2018. South Deep applied on 13 January 2015 for a waste licence in respect of two facilities: a waste transfer station and a salvage yard, and, in April 2017, Gold Fields received a confirmation of compliance with the licensing requirements in terms of the transitional arrangements.

On 2 June 2014, amendments to the Waste Act were published, which had the effect that, as of 8 December 2014, residue deposits and residue stockpiles would be brought within the Waste Act's scope of operation. Accordingly, as of 8 December 2014, in terms of the One Environmental System, residue stockpiles and residue deposits are now subject to regulation under the Waste Act and waste management licences for activities relating to their establishment and reclamation will need to be obtained, subject to the transitional provisions in the amendments which were published in 24 July 2015. Such licences will need to be obtained from the DMR, which is the competent authority to issue such licences for mining operations. The Regulations regarding the Planning and Management of Residue Stockpiles and Residue Deposits which were published on 24 July 2015 are also likely to have a financial impact on the management of these facilities, since they impose various classifications and associated liner requirements for new residue stockpiles and deposits. This is a fundamental shift in regulation as the Waste Act previously excluded residue deposits and residue stockpiles from its ambit.

Gold Fields undertakes activities which are regulated by the National Nuclear Regulator Act, No. 47 of 1999 (the NNR Act). The NNR Act requires Gold Fields to obtain authorisation from the National Nuclear Regulator (NNR) and undertake activities in accordance with the conditions of such authorisation. Prior to the Spin-off, Gold Fields South African mining operations possessed and maintained Certificates of Registration issued by the NNR. After the Spin-off, South Deep continues to possess and maintain its Certificate of Registration (CoR) as required under the NNR Act.

Although South Africa has a comprehensive environmental regulatory framework, enforcement of environmental law has traditionally been poor. The DEA and the DWS have indicated that enforcement will improve and that Environmental Management Inspectors will be provided with greater resources going forward. As of 8 December 2014, under the One Environmental System, separate Environmental Management Inspectors were appointed under the DMR to regulate environmental compliance of the mining industry.

Health and Safety

The principal objective of the South African Mine Health and Safety Act No. 29 of 1996 (the Health and Safety Act) is to provide for the protection of the health and safety of employees and other persons at mines. The Mine Health and Safety Act requires employers and others to ensure their operating and non-operating mines provide a safe and healthy working environment, as far as reasonably practicable. The Mine Health and Safety Act provides for penalties and a system of administrative fines for non-compliance with the provisions thereof. The Mine Health and Safety Act further provides for employee participation through the establishment of health and safety committees and by requiring the appointment of health and safety representatives. It also provides for an employee's right to refuse dangerous work. Finally, it describes the powers and functions of the Mine Health and Safety Inspectorate (MHSI), which inspectorate is part of the DMR and the process of enforcement. The Mine Health and Safety Act authorises the MHSI to restrict or stop work at any mine and requires an employer to take steps to minimise health and safety risks at any mine. Under the Mine Health and Safety Act, an employer is obliged, among other things, to ensure, as far as reasonably practicable, that its mines are designed, constructed and equipped to provide conditions for safe operation and a healthy working environment. The employer is also required to ensure, as far as reasonably practicable, that its mines are commissioned, operated, maintained and decommissioned in such a way that employees can perform their

work without endangering their health and safety or that of any other person. Every employer must ensure, as far as reasonably practicable, that persons who are not employees, but who may be directly affected by the activities at a mine, are not exposed to any hazards to their health and safety. The MHSI also has the power to impose administrative fines on an employer in the event

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of a breach of the Mine Health and Safety Act. The maximum administrative fine that may be imposed is R1 million per offence. Any person, which may include an employer, who fails to comply with a provision of the Mine Health and Safety Act commits an offence and may be charged and, if successfully prosecuted, fined or imprisoned, or both.

The principal health risks associated with Gold Fields' mining operations in South Africa arise from occupational exposure and community environmental exposure to silica dust, noise, heat and certain hazardous substances, including toxic gases, water, soil or air contamination and radioactive particulates. The most significant occupational diseases affecting Gold Fields' workforce include lung diseases (such as silicosis, tuberculosis, a combination of the two and COAD) as well as NIHL. The Occupational Diseases in Mines and Works Act, No. 78 of 1973 (the ODMWA) governs the payment of compensation and medical costs related to certain occupational diseases, such as silicosis, contracted by persons employed in mines or at sites where activities ancillary to mining are conducted. See *Risk Factors* Gold Fields' operations are subject to environmental and health and safety regulations, which could impose additional costs and compliance requirements and Gold Fields may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws .

In 2011, the South African Constitutional Court ruled that a claim for compensation under ODMWA does not prevent an employee from seeking to recover damages from the employer under common law. While issues, such as negligence and causation, need to be proved by the claimant on a case-by-case basis, such a ruling could expose Gold Fields to claims related to certain occupational diseases (including silicosis), which may be in the form of an individual claim for damages, a class action or similar group claim. Although risks associated with alleged occupational exposure are likely to be greater, such actions may also arise in connection with the alleged incidence of such diseases in communities proximate to Gold Fields' mines.

In 2014, a consolidated application was brought against several South African mining companies, including Gold Fields, for certification of a class action on behalf of current or former mineworkers (and their dependants) who had allegedly contracted silicosis or tuberculosis while working for one or more of the mining companies listed in the application. In May 2016, the Court ordered, among other things, the certification of a silicosis class and a tuberculosis class. The Court ruling did not represent a ruling on the merits of the cases brought against the mining companies.

On 3 May 2018, the group of South African mining companies, including Gold Fields, (the Gold Working Group) concluded a settlement agreement (the Settlement Agreement) with the attorneys representing the claimants in the silicosis and tuberculosis class action litigation. The Settlement Agreement provides compensation on a sliding scale to eligible workers suffering from silicosis and/or tuberculosis who worked in the Gold Working Group's mines from 12 March 1965 to the effective date of the Settlement Agreement.

The Settlement Agreement is subject to certain suspensive conditions, including that an unconditional order of court, sanctioning the Settlement Agreement to make the Settlement Agreement an order of court, is obtained from the Court.

The first stage of the Court approval application comprised an *ex parte* application which was heard on 13 December 2018. Following this hearing, the Court issued an order setting out how members of the settling classes and other interested parties should be informed of the proposed settlement and how they may make representations to the Court regarding the settlement, should they wish.

The second stage of the approval application makes provision for members of the settling classes and interested parties to make submissions to the Court on the settlement. The hearing of the second stage of the approval application will take place from 29 to 31 May 2019. Should there be no notifications of objections to the settlement,

this hearing will take place on 3 April 2019.

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If the Court approves the settlement, claimants will be entitled to opt out of participating in the settlement contemplated by the Settlement Agreement. The Settlement Agreement contains a condition precedent that no more than 2,000 members of the settling class have opted out of the settlement. However, this condition may be waived by agreement in writing between the Working Gold Group and the claimants' attorneys. The Settlement Agreement provides that any member of the settlement classes who does not opt out is automatically eligible to submit a claim.

In terms of the settlement, a settlement trust will be constituted. A website (www.SilicosisSettlement.co.za) and a Facebook page (www.facebook.com/silicosissettlement) has been established where miners, ex-miners or their dependants can register an interest in making a claim from the settlement trust once it is established.

Gold Fields has provided for the estimated cost of the above settlement based on actuarial assessments and the provisions of the Settlement Agreement. At 31 December 2018, the provision for Gold Fields' share of the settlement of the class action claims and related costs amounted to U.S.\$25 million. The nominal value of this provision is U.S.\$35 million. This provision compares to the initial amount raised in June 2017 of U.S.\$30 million. The decrease is due to a change in the timing of expected cash flows and the effect of translation offset by the effect of unwinding. The ultimate outcome of these matters remains uncertain, with a possible failure to fulfil all the suspensive conditions under the Settlement Agreement. The provision is consequently subject to adjustment in the future. See *Annual Financial Report Notes to the consolidated financial statements Note 35. Contingent liabilities* .

The payment of compensation under the Settlement Agreement could have a material adverse effect on Gold Fields' business, reputation, results of operations and financial condition. If all the suspensive conditions under the Settlement Agreement are not fulfilled, Gold Fields could incur significant costs as a result of the silicosis and tuberculosis class action litigation, which could have a material adverse effect on Gold Fields' business, operating results and financial condition. In addition, Gold Fields may incur significant additional costs arising out of these issues, including costs relating to the payment of fees, increased levies or other contributions in respect of compensatory or other funds established and expenditures arising out of its efforts to remediate these matters or to resolve any outstanding claims or other potential action.

In addition to the class action, an individual silicosis-related action was instituted against Gold Fields and another mining company. In February 2018, the defendants (including Gold Fields) and the plaintiff entered into a confidential settlement agreement in full and final settlement of this matter. See *Integrated Annual Report Safe operational delivery Health Silicosis and TB* and *Annual Financial Report Notes to the consolidated financial statements Note 35. Contingent liabilities* .

Mineral Rights***The MPRDA***

See *Risk Factors Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute The MPRDA* .

The New Mining Charter

See *Risk Factors Gold Fields' mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute The Mining Charter and the Amended Mining Charter* .

The BBBEE Act and the BBBEE Amendment Act

The BBBEE Act established a national policy on broad-based black economic empowerment with the objective of increasing the participation of HDSAs in the economy. The BBBEE Act provides for various

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measures to promote black economic empowerment, including empowering the Minister of Trade and Industry to issue the BBBEE Codes with which organs of state and public entities and parties interacting with them or obtaining rights and licences from them would be required to comply. There has been some debate as to whether or to what extent the mining industry was subject to the BBBEE Act and the policies and codes provided for thereunder. On 24 October 2014, the BBBEE Amendment Act No. 46 of 2013 was brought into operation. The BBBEE Amendment Act inserts a new provision in the BBBEE Act, whereby the BBBEE Act would trump the provisions of any other law in South Africa which conflicts with the provisions of the BBBEE Act, provided such conflicting law was in force immediately prior to the effective date of the BBBEE Amendment Act. The BBBEE Amendment Act also stipulates that this provision would only be effective one year after the BBBEE Amendment Act is brought into effect. This provision came into effect on 24 October 2015 and, on 27 October 2015, the Minister for Trade and Industry published a government gazette notice declaring an exemption, in favour of the DMR, from applying the requirements contained in section 10(1) of the BBBEE Act for a period of 12 months, ending 27 October 2016. The Minister of Trade and Industry has not published any further notices since this date to provide clarity on his position but the exemption and its expiry can be read as confirmation that the South African Department of Trade and Industry sees the BBBEE codes as applicable to the Mining Industry. In any event, it is not clear whether the DMR is likely to continue implementing the Mining Charter in its current form or whether it will apply the BBBEE Act or whether it would follow the BBBEE Codes.

This raises the question of whether the BBBEE Act and the BBBEE Codes may overrule the Mining Charter in the future. There is no clarity on this point at this stage. The revised Broad-Based Black Economic Empowerment Codes of Good Practice (the Revised BEE Codes) became available for voluntary use on 11 October 2013 and became effective on 1 May 2015. Both the BBBEE Amendment Act and the Revised BEE Codes expressly stipulate that, where an economic sector in South Africa has a sector code (Sector Code) in place for BEE purposes, companies in that sector must comply with the Sector Code. For purposes of the BBBEE Act, the Mining Charter is not a Sector Code. On 17 February 2016, the Minister of Trade and Industry published a gazette notice which repealed or confirmed the validity of a number of Sector Codes. The omission of the Mining Charter from the notice can be interpreted as confirmation that the Mining Charter is not contemplated as a Sector Code. This supports the interpretation that the BBBEE Act did not intend to trump the Mining Charter. While it remains to be seen how this will be interpreted, it appears that the BBBEE Act and the BBBEE Codes will not overrule the Mining Charter in the future. Although the Mining Charter is not a Sector Code, Gold Fields regularly reviews its status against the provisions and obligations of the Revised BEE Code (Codes) to internally measure what its compliance would be if it were subject to the Codes. To date, we believe we would be compliant with the Codes; however, there is no certainty as to whether the current obligations would supersede the Mining Charter or whether there will be alignment with the revised Mining Charter III. See *Risk Factors Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute* .

The 2018 Mining Charter purports to align the Mining Charter with the BBBEE Act and the BBBEE Codes, which apply generally to other industries in South Africa. Despite major improvements in the published 2018 Mining Charter, the industry does not consider the licence renewal clause acceptable as it could invalidate previous empowerment deals and the implementation guidelines potentially create further uncertainty. See *Risk Factors Gold Fields mineral rights are subject to legislation, which could impose significant costs and burdens and which impose certain ownership requirements, the interpretation of which are the subject of dispute* . Should the impasse continue, the MSCA reserves its rights to proceed with a legal review of the Charter relating to, among others, the renewal of licences.

The Royalty Act

The Mineral and Petroleum Resources Royalty Act, No. 28 of 2008 (the Royalty Act) imposes a royalty on refined and unrefined minerals payable to the South African government.

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The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5 per cent. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5 per cent. of revenue has been introduced for refined minerals. Gold Fields currently pays a royalty based on the refined minerals royalty calculation as applied to its gross revenue.

The Minister of Finance appointed the Davis Tax Committee to consider the appropriateness of the current mining tax regime taking account of the challenges facing the mining sector and the agreement between Government, Labour and Business to ensure that the mining sector contributes to growth and job creation, remains a competitive investment proposition, and all role players contribute to better working and living conditions. The committee's role is advisory in nature and makes recommendations to the Minister of Finance who, after taking into account the committee's reports and recommendations, makes appropriate announcements as part of the normal budget and legislative processes. These will be subject to the normal consultative processes and Parliamentary oversight once announced by the Minister of Finance.

The committee was not persuaded that the current mining tax system encourages the investment which the mining tax regime originally intended to attract. The committee felt that it was time to work towards aligning the mining corporate income tax regime more closely with the tax applicable to other taxpaying sectors, leaving the royalty system to respond to the non-renewable nature of mineral resources. The committee's first interim report on mining, which was released for public comment on 13 August 2015, proposed no changes to the royalty regime but recommended the discontinuation of the upfront capital expenditure write-off regime in favour of an accelerated capital expenditure depreciation regime which is the same as the write-off periods in respect of manufacturing. In addition, the report recommended retaining the so called 'gold formula' for existing gold mines only, as new gold mines would be unlikely to be established in circumstances where profits are marginal or where gold mines conduct mining of the type intended to be encouraged by the formula. The committee also recommended the phasing out of additional capital allowances available to gold mines in order to bring the gold mining corporate income tax regime in line with the tax system applicable to all taxpayers.

Exchange Controls

South African law provides for Exchange Control Regulations which, among other things, restrict the outward flow of capital from the Common Monetary Area (CMA) consisting of South Africa, Namibia, Lesotho and Swaziland. The Exchange Control Regulations, which are administered by the Financial Surveillance Department of SARB, are applied throughout the CMA and regulate international transactions involving South African residents, including companies. The South African government has committed itself to gradually relaxing exchange controls and various relaxations have occurred in recent years. The present exchange control system in South Africa is principally used to control capital movements. South African companies are not permitted to maintain foreign bank accounts without SARB approval.

SARB approval is required for Gold Fields and its South African subsidiaries to receive and/or repay loans to non-residents of the CMA.

Funds raised outside of the CMA by Gold Fields' non-South African resident subsidiaries (whether through debt or equity) can be used for overseas expansion, subject to any conditions imposed by the SARB. Gold Fields and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of Gold Fields' subsidiaries with regard to funds obtained from non-residents of the CMA. Debt raised outside the CMA by Gold Fields' non-South African subsidiaries must be repaid or serviced by those foreign subsidiaries. Absent

SARB approval, income earned in South Africa by Gold Fields and its South African subsidiaries cannot be used to repay or service such foreign debts. Unless specific SARB approval has been obtained, income earned by one of Gold Fields' foreign subsidiaries cannot be used to finance the operations of another foreign subsidiary.

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Transfers of funds from South Africa for the purchase of shares in offshore entities or for the creation or expansion of business ventures offshore require exchange control approval. However, if the investment is a new outward foreign direct investment where the total cost does not exceed R1 billion per company per calendar year, the investment application may, without specific SARB approval, be processed by an Authorised Dealer, subject to all existing criteria and reporting obligations. If the investment exceeds R1 billion, the Authorised Dealer must refer the request to the Financial Surveillance Department. Gold Fields must, for statistical purposes, acquire at least 10 per cent. of the foreign target entity's voting rights. Should this reduce to below 10 per cent. such information must be reported to the Financial Surveillance Department.

No loop structure must be created (the formation by (or at the instance of) Gold Fields of an offshore structure which, by means of a re-investment into the CMA, acquires shares or some other interest in a CMA company or CMA asset).

Gold Fields must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. In connection with its approval, it is possible that the SARB may impose conditions on Gold Fields' use of the proceeds of any such capital raising, such as limits on Gold Fields' ability to retain the proceeds of the capital raising outside South Africa or requirements that Gold Fields seeks further SARB approval prior to applying any such funds to a specific use.

The proceeds from the sale of ordinary shares on the JSE by shareholders who are not residents of the CMA are freely remittable to such shareholders. Share certificates held by non-residents will be endorsed with the words "non-resident", unless dematerialised.

Dividends declared in respect of shares held by a non-resident are freely remittable, due to Gold Fields being a listed company on the JSE.

Ghana

Environmental

The laws and regulations relating to the environment in Ghana have their roots in the 1992 Constitution which charges both the state and others with a duty to take appropriate measures to protect and safeguard the natural environment. Mining companies are required, under the Minerals and Mining Act, 2006 (Act 703) (Minerals and Mining Act), Environmental Assessment Regulations 1999, (L.I. 1652) and Water Use Regulations, 2001 (L.I. 1692), to obtain all necessary approvals from the Environmental Protection Agency (Ghanaian EPA), a body set up under the Environmental Protection Agency Act, 1994 (Act 490), and, where applicable, the Water Resources Commission and/or the Ghanaian Minerals Commission before undertaking mining operations. There are further requirements under the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I. 2182) to obtain the necessary permits from the Inspectorate Division of the Ghanaian Minerals Commission for the operation of mines. The Minerals and Mining Act also requires that mining operations in Ghana comply with all laws for the protection of the environment. Non-compliance with the provisions of these laws could result in the imposition of fines and in some cases a term of imprisonment.

Under the relevant environmental laws and regulations, mining operations are required to undergo an Environmental Impact Assessment (EIA) process and obtain approval for an environmental permit prior to commencing operations. Environmental Management Plans (EMPs) are prepared and submitted to the Ghanaian EPA 18 months after the initial issuance of the permit and then every three years thereafter. The plan must include details of the likely impacts of the operation on the environment and local communities, as well as a comprehensive plan and timetable for actions to lessen and remediate adverse impacts. Approval of the management plan results in the issuance of an environmental

certificate. Both Tarkwa and Damang have submitted updated EMPs to the EPA, but the environmental certificates have not been issued by the EPA yet.

The laws also require mining operations to rehabilitate land disturbed as a result of mining operations pursuant to an environmental reclamation plan agreed with the Ghanaian regulatory authorities. The reclamation

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plan includes two cost estimates, namely the cost of rehabilitating the mining area at the end of the life of the mine as well as the cost of rehabilitating the mine as at the date of the reclamation plan. These estimates are reviewed annually and updated every two years. The Environmental Assessment Regulations, 1999 (L.I. 1652) requires each mining company to post a reclamation bond. The terms of each reclamation bond are determined by a Reclamation Security Agreement between that company and the Ghanaian EPA. Mining companies are typically required to secure a percentage (typically between 50 per cent. and 100 per cent.) of the current estimated rehabilitation costs by posting reclamation bonds underwritten by banks and restricted cash. Gold Fields Ghana and Abooso maintain reclamation bonds underwritten by banks and restricted cash in order to secure a percentage of their total mine closure liability.

During fiscal 2017, the construction of TSF 5 at Tarkwa continued after approval was received from the Ghanaian Minerals Commission. Following a period of trial deposition, the full deposition began in September 2018. In response to a request of the Ghanaian EPA, the mine has submitted a compensation plan for residents of the nearby Abekoase community. The EPA is yet to respond to this proposal, with the final valuation still to be resolved.

Health and Safety

A mining company is statutorily obliged to, among other things, take steps to ensure that the mine is managed in accordance with applicable legislation, including the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I 2182), to ensure the safety and wellbeing of its employees. Additionally, both the Tarkwa and Damang mines are required, under the terms of their respective mining leases, to comply with the reasonable instructions of the Chief Inspector of Mines regarding health and safety at the mines. A violation of the provisions of the health and safety regulations or failure to comply with the reasonable instructions of the Chief Inspector of Mines could lead to, among other things, a shutdown of all or a portion of the mine or the imposition of more stringent compliance procedures. The Tarkwa and Damang mines have potential liability arising from injuries to, or deaths of, workers, including, in some cases, workers employed by their contractors. Although Ghanaian law provides statutory workers' compensation for injuries or fatalities to workers, it is not the exclusive means by which workers or their personal representatives may claim compensation. Both companies' allotted insurance for health and safety claims and the relevant workers' compensation may not fully cover them in respect of all liability arising from any future health and safety claims, since employees may still resort to other claims through the Ghanaian courts and/or legal system. Both Tarkwa and Damang mines operate under an OHSAS 18001 certified Safety and Health Management System, designed to identify, control and decrease the safety and health risks within the workplace.

Mineral Rights

Gold Fields Ghana has two major mining leases in respect of its mining operations, namely the Tarkwa property lease and the Teberebie property lease. There are three mining leases under the Tarkwa property lease, all of which were granted in 1997 and will expire in 2027, and two mining leases under the Teberebie property lease, which were granted between 1988 and 1992, and initially expired in 2018, and then were extended by the Minister of Lands and Natural Resources on 12 November 2018 to 2036. Gold Fields Ghana has fully paid for the fees associated with the extension.

Abooso holds the mining lease in respect of the Damang mine which was granted in 1995 and expires in 2025, as well as the mining lease in respect of the Lima South pit that was granted in 2006 and expired in 2017 but remains valid until the application for the extension of the term is determined. As with the Tarkwa and Teberebie mining leases, these leases are renewable under their terms and the provisions of the Minerals and Mining Law by agreement between Abooso and the government of Ghana. Gold Fields submitted an application for renewal of Lima South in the last quarter of 2016 following which the Ghanaian Minerals Commission made a favourable recommendation to the Minister of Lands and Natural Resources for the extension of the Lima South lease for 10 years. The Minister of Land

and Natural Resources on 12 November 2018 approved the

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extension of the lease to 2036. Gold Fields is awaiting notice from the Minerals Commission to make the applicable fees for the grant of the extension.

The Minerals and Mining Act came into force on 31 March 2006. Although the Minerals and Mining Act repealed the Minerals and Mining Law, and the amendments to it, the Minerals and Mining Act provides that leases, permits and licences granted or issued under the repealed laws will continue under those laws unless the Minister responsible for minerals provides otherwise by regulation. It also provides that the Minister responsible for minerals shall grant the extension of the term of a lease on conditions specified in writing as long as the holder of mineral rights has materially complied with its obligations under the Act. Management believes that all of Gold Fields' operations in Ghana are materially compliant with the relevant legislative requirements. Therefore, unless and until any new regulations are passed in respect of Gold Fields' mineral rights, the Minerals and Mining Law will continue to apply to Gold Fields' current operations in Ghana.

The major provisions of the Minerals and Mining Act include:

the government of Ghana's right to a free carried interest in mineral operations of 10 per cent. and the right to a special share (discussed below); and

mining companies which have invested or intend to invest at least U.S.\$500 million (as Gold Fields has) may benefit from stability and development agreements, relating to both existing and new operations, which will serve to protect holders of current and future mining leases for a period not exceeding 15 years against changes in laws and regulations generally and, in particular, relating to customs and other duties, levels of payment of taxes, royalties and exchange control provisions, transfer of capital and dividend remittances. A development agreement may contain further provisions relating to the mineral operations and environmental issues. Each stability and development agreement is subject to the ratification of Parliament.

In 2010, the Minerals and Mining Act was amended to provide for a fixed royalty rate of 5 per cent. of the total revenue earned from minerals obtained, with effect from 17 March 2010. Although payment of the royalty rate became effective in March 2010, Gold Fields did not begin submitting the required payment until 1 April 2011 due to a moratorium on the tax burden for mining leases in place prior to commencement of the Mineral and Mining Act, which ended on 31 March 2011.

The Ghanaian Parliament passed an Act that, effective 9 March 2012, increased taxes on mining companies. These changes included introducing a separate tax category for companies engaged in mining, which raised the applicable corporate tax rate from 25 per cent. to 35 per cent. and reduced the capital allowance regime from 80 per cent. for the first year with reductions to a uniform regime of 20 per cent. over five years. Under a new Income Tax Act enacted in 2015 (Act 896), unutilised capital allowance cannot be deferred if not used in the tax year. Further, a draft bill was proposed which sought to impose a windfall profit tax of 10 per cent. of the cash balance of a company engaged in mining activities. The planned windfall tax has, however, been on hold indefinitely since January 2014.

On 17 March 2016, the Parliament of Ghana ratified development agreements between Gold Fields Ghana, Abosso and the government of Ghana. Parliamentary proceedings leading to the ratification were officially published on Parliament's website on 21 March 2016. The Development Agreements provide for, among other things, a fixed corporate tax rate of 32.5 per cent., beginning on 17 March 2016, and exemption from certain import duties. In addition, from 1 January 2017, Gold Fields pays royalties on a sliding scale, replacing the fixed rate, which it paid prior to 1 January 2017.

Under the Development Agreements, Gold Fields committed to pay compensation for assets used at Tarkwa since the divestiture of the Ghanaian State Gold Mining Company and, in years where a dividend is not declared and paid, to make a payment of 5 per cent. of profits after tax in the relevant year to the government (which will be offset against the eventual dividend payment).

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Fiscal Regime

Some regulatory/statutory changes were made to Ghana's fiscal regime in 2018 as follows:

The Taxation (Use of Fiscal Electronic Device) Act, 2018 (Act 966) makes it mandatory for specified taxable persons to use electrical devices for sale on their premises to promote non-cash transactions. The Act is yet to be implemented.

The Minerals Income Investment Fund Act, 2018 (Act 947) establishes a fund to hold and manage the equity interest of Ghana in mining companies and to receive mineral royalty and related income to the state.

The Luxury Vehicle Levy Act, 2018 (Act 969) which imposes a levy on vehicles with engine capacities of 3.0 litres and above. The levy would be paid on first registration and subsequently at annual renewal.

The Value Added Tax (Amendment) Act, 2018 (Act 970) revised the VAT rate from 15 per cent. to 12.5 per cent. The Ghana Education Trust Fund (GETFund) (Amendment) Act, 2018 (Act 972) and the National Health Insurance (NHI) (Amendment) Act, 2018 (Act 971), converted the 2.5 per cent. portion each of the VAT allocated to the GETFund and the NHI into straight levies.

The Income Tax (Amendment) Act, 2018 (Act 973) introduced a new income tax band for incomes of GHS 10,000 and above per month at a rate of 35 per cent. The Income Tax (Amendment) Act, (No.2) 2018 (Act 979) amended Act 973 through a revision of the income tax band for persons who earn GHS 20,000 and above per month to 30 per cent.

In April and July 2018, after field audits, the Ghana Revenue Authority (GRA) imposed customs penalties of ~U.S.\$ 3.2M and ~U.S.\$14.4M on Gold Fields and Abosso respectively. The GRA alleged that both mines had breached provisions of the Customs laws by not giving the GRA notification prior to transferring assets originally imported on concessionary import duty rates.

Field audits were conducted on other mining companies and similar penalties were imposed. Gold Fields contested the penalties and assessments on the basis that i) there had been no loss of revenue to the State; and ii) there were no express provisions in the Customs Laws requiring notification prior to transferring assets. Gold Fields sought a legal opinion from external counsel who agreed with the defence. An appeal was made to the Minister of Finance who directed the GRA to immediately suspend enforcement whilst the Ministry reviewed relevant documents that Gold Fields and affected companies agreed to submit.

Local Content

The Minerals Commission of Ghana has published the Third Edition of the Local Procurement List pursuant to the Minerals and Mining (General) Regulations, 2012 (L.I. 2173). The Local Procurement List specifies the goods and services with Ghanaian content which shall be procured in Ghana by mining companies. The Third Edition of the Procurement List requires all mining companies to procure fuel from only Ghanaian companies whose shareholders and directors are exclusively Ghanaian.

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On 4 October 2018, Ghana's Minerals Commission (Mincom), imposed penalties of U.S.\$2,567,390.71 and U.S.\$380,983.51 on Gold Fields Ghana and Abosso, respectively. Mincom alleges that both mines had breached the five-year Procurement Plan by purchasing some key items, which are available on the local market from overseas.

In the previous year, Mincom imposed penalties of U.S.\$4,242,808.74 on the Tarkwa mine and U.S.\$7,462.75 on the Damang mine for similar reasons. Gold Fields contested the penalties on both occasions, and submitted documents proving the company complied with the local procurement regulations. Gold Fields maintained that the items purchased from overseas are not available on the local market as alleged by Mincom.

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Similar penalties were imposed on other mining companies. The Chamber engaged Mincom at the highest level on behalf of its members with the aim of resolving the matter. The Chamber has advised its members not to pay the penalties pending the final resolution of the matter and has in the past successfully engaged Mincom and other state institutions to reconsider measures taken towards the enforcement of policies, directives and penalties against mining companies.

Government Option to Acquire Shares of Mining Companies

Under Ghanaian law, the government is entitled to a 10 per cent. interest in any Ghanaian company which holds a mining lease in Ghana, without the payment of consideration for the shares therein. The government of Ghana has already received this 10 per cent. interest in each of Gold Fields Ghana and Abosso. The government also has the option, under PNDCL 153, of acquiring an additional 20 per cent. interest in the share capital of mining companies whose rights were granted under the PNDCL 153 at a price agreed upon by the parties, at the fair market value at the time the option is exercised, or as may be determined by international arbitration. The government of Ghana exercised this option in respect of Gold Fields Ghana and subsequently transferred the interest back to Gold Fields. The government of Ghana retains this option to purchase an additional 20 per cent. of the share capital of Abosso. As far as management is aware, the government of Ghana has not exercised this option for any other gold mining company in the past, other than Gold Fields Ghana.

Under the Minerals and Mining Law, which continues to apply to Gold Fields, operations in Ghana, and under the Minerals and Mining Act, the government has a further option to acquire a special share in a mining company for no consideration or in exchange for such consideration as the government and that company shall agree. This interest, when acquired, constitutes a special share which gives the government the right to attend and speak at any general meeting of shareholders, but does not entitle the government to any voting rights. The special share does not entitle the government to distributions of profits of the company which issues it to the government. The written consent of the government is required to make any amendment to a company's regulations relating to the government's option to acquire a special share. Although the government of Ghana has agreed not to exercise this option in respect of Gold Fields Ghana, it has retained this option for Abosso.

Right of Pre-emption

Under the Minerals and Mining Act, the Minister of Lands and Natural Resources has the right of pre-emption of all minerals obtained in Ghana and products derived from the refining or treatment of these minerals. Pursuant to the Minerals and Mining Act, the Government of Ghana may by an executive instrument, appoint a statutory body to act as its agent to exercise this right of pre-emption. This gives the Government of Ghana the right to compulsorily purchase the minerals or gold produced by mining companies in Ghana. Ghana's 1992 Constitution per Article 22, provides protection from deprivation of property and requires the Government to make prompt payment of fair and adequate compensation, where it is absolutely necessary to compulsorily acquire any private property.

The Government of Ghana has signalled its intention to undertake various interventions including setting up an in-country refinery to refine gold. By a letter, dated 30 July 2018, the Minister of Lands and Natural Resources informed the Chamber of the government's intention to exercise its right of pre-emption to acquire up to 30 per cent. of all gold mined in Ghana. The Chamber is engaging the government to explore the most appropriate means of addressing the matter to forestall potential/unintended negative effects on mining companies. The Government and the Chamber have set up a joint committee to work collaboratively with the industry to adopt the best and most acceptable way to add value to Ghana's mineral resources. Terms of reference are being finalised to guide the Committee's work.

Exchange Controls

Under Ghana's mining laws, the Bank of Ghana or the Minister for Finance may permit the holder of a mining lease to retain a percentage of its foreign exchange earnings for certain expenses in bank accounts in

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Ghana. Under a foreign exchange retention account agreement with the government of Ghana, and in line with the Development Agreements, Gold Fields Ghana and Abooso are required to repatriate 30 per cent. of their revenues derived from the Tarkwa and Damang mines to Ghana and use the repatriated revenues in Ghana or maintain them in a Ghanaian bank account.

The Bank of Ghana issued notices on 4 February 2014 and 13 June 2014 that imposed further restrictions on the operation of Foreign Exchange Accounts and Foreign Currency Accounts. However, on 8 August 2014, it reversed virtually all the restrictions that it had imposed through these notices.

Electricity Costs

The Ghanaian government introduced the Energy Sector Levies (Amendment) Act, 2017 (Act 946) in March 2017, which reduced the national electricity levy from 5 per cent. per kilowatt hour to 2 per cent. per kilowatt hour and the public lighting levy from 5 per cent. per kilowatt hour to 3 per cent. per kilowatt per hour of electricity. Following this cost increase, Gold Fields entered into the Genser Power Purchase Agreement with Genser Energy to supply power at Damang and Tarkwa. The Genser gas turbines at both Ghanaian mines have been commissioned in 2018 and construction for the new gas pipeline is in progress.

Australia

Environmental

Gold Fields' gold operations in Australia are primarily subject to the environmental laws and regulations of the State of Western Australia which require, among other things, that Gold Fields obtains necessary environmental approvals, environmental licences, works approvals and mining approvals to implement and carry out its mining operations. In addition, under the Environment Protection and Biodiversity Conservation Act 1999 (Cth) (EPBC Act) it may be necessary to obtain separate approval from the federal government if any new project (including some expansions of existing facilities) has, will have or is likely to have a significant impact on matters of national environmental significance under the EPBC Act (known as a controlled action).

At the state level, Gold Fields is subject to the Environmental Protection Act 1986 (WA) (EP Act), under which it is obliged to prevent and abate pollution and environmental harm. The EP Act also prescribes sanctions and penalties for a range of environmental offences, including orders which may effectively suspend certain operations or activities.

Under Part IV of the EP Act, a proposal that is likely to have a significant effect on the environment must be referred to the Western Australian Environmental Protection Authority (the Western Australian EPA), which undertakes the EIA of the proposal. An EIA is a systematic and orderly evaluation of a new proposal (including an expansion of an existing development) and its impact on the environment. The assessment includes considering ways in which the proposal, if implemented, could avoid or reduce any impact on the environment. After completing its assessment of a proposal, the Western Australian EPA prepares a report for the Western Australian Minister for the Environment who must decide whether or not to approve the proposal and, if approved, what conditions are appropriate to regulate the implementation of the proposal.

In addition to this approval, under Part V of the EP Act, a works approval and environmental licence must be obtained from the Department of Water and Environmental Regulation (DWER) for the construction and operation of facilities with significant potential to cause pollution, such as the ore processing facility, tailings storage facility and the landfill and waste water treatment plant.

Gold Fields is also required to obtain a water licence from the DWER to extract water for its mining activities.

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Prior to the commencement or expansion of any mining operations, Gold Fields is also required to prepare a mining proposal in accordance with published guidance material and submit the mining proposal to the Department of Mining, Industry Regulation and Safety (DMIRS) for approval under the Mining Act 1978 (WA) (Mining Act). Once approved by the DMIRS, the requirement to comply with the mining proposal becomes a condition of the mining tenement.

Gold Fields is required to prepare and submit an Annual Environmental Report to the DWER and DMIRS under the conditions attached to its environmental approvals, licences and mining tenements.

During the operational life of its mines, Gold Fields is required by law to prepare a Mine Closure Plan which is to make provisions for the ongoing rehabilitation of its mines and to provide for the cost of post-closure rehabilitation and monitoring once mining operations cease. Under the Mining Act, Gold Fields has previously been required to guarantee its environmental obligations by providing the Western Australian government with unconditional bank-guaranteed performance bonds. From 1 July 2014, Gold Fields has been required to pay an annual levy into a mining rehabilitation fund administered by the DMIRS instead of providing performance bonds. The annual levy payable by Gold Fields is 1 per cent. of an estimate of the cost per hectare to rehabilitate the disturbed land.

The funds held by the DMIRS in the mining rehabilitation fund are used to rehabilitate abandoned mines and are not refundable or reimbursable to the contributing entities for their own rehabilitation liabilities.

Under the National Greenhouse and Energy Reporting scheme, Gold Fields Australia has operational control over the four Australian operations which have combined emissions exceeding 50kt CO₂e each fiscal year. Accordingly, Gold Fields Australia is required to report as the registered controlling corporation for the purposes of the scheme.

In December 2014, the Emissions Reduction Fund (ERF) came into effect. The ERF is a voluntary scheme that aims to provide financial incentives for emitters to reduce, abate or sequester greenhouse gas emissions. Gold Fields registered the Granny Smith Gas Power Station Project with the ERF for carbon abatement in May 2015 under the Industrial Fuel and Energy Efficiency Method. Gold Fields entered a reverse auction with the Clean Energy Regulator in April 2016 under the Emissions Reduction Fund in order to sell the project's carbon abatement to the Australian government. This bid was successful and on 5 May 2016, Gold Fields entered into a contract with the Emissions Reduction Fund for the sale of its abatement credits.

Health and Safety

The *Mines Safety and Inspection Act 1994* (WA) (the Safety and Inspection Act) and the *Mines Safety and Inspection Regulations 1995* (WA) together regulate the duties of employers and employees in the mining industry with regard to occupational health and safety and outline offences and penalties for breach. Resources Safety, a division of the DMIRS, administers this legislation. Under the approach utilised by Resources Safety, it is the responsibility of each employer to manage safety (i.e. a general duty of care exists in mines located in Western Australia). A violation of the safety laws or failure to comply with the instructions of the relevant health and safety authorities is a criminal offence that could lead to, among other things, a temporary shutdown of all or a portion of the mine, a loss of the right to mine, or the imposition of costly compliance procedures and/or financial penalties.

In July 2017, the state Government announced that it would develop a new Work Health and Safety Bill, based on the federal *Model Work Health and Safety Act*. The new legislation will apply to a number of industries including the mining industry and will replace the existing provisions of the occupational safety legislation, together with the Safety and Inspection Act and its counterpart in the petroleum industry. The new legislation will be supported by a number of industry specific regulations, including those specific to the resources industry. The new legislation and supporting

regulations are currently undergoing an extensive consultation process and are expected to be introduced in the state Parliament in mid-2019.

Table of Contents***Mineral Rights***

In Australia, the ownership of land is separate from the ownership of most minerals (including gold), which are the property of the states and are thus regulated by the state governments. The Mining Act is the principal piece of legislation governing exploration and mining on land in Western Australia. Licences and leases for, among other things, prospecting, exploration and mining must be obtained pursuant to the requirements of the Mining Act before the relevant activity can begin.

Prospecting licences, exploration licences and mining leases are subject to prescribed minimum annual expenditure commitments. Royalties are payable to the state based on the amount of ore produced or obtained from a mining tenement. A quarterly production report must be filed and royalties are calculated *ad valorem* at a fixed rate of 2.5 per cent. of royalty value in respect of gold, and at other rates (depending on the relevant mineral) in respect of ore produced or obtained from a mining tenement. The royalty value of gold is the amount of gold produced during each month in a relevant quarter multiplied by the average gold spot price for that month. Despite the discussion above, no royalty is payable in respect of the first 2,500 ounces of gold metal produced during a financial year from gold-bearing material produced or obtained from the same gold royalty project.

Land Claims

In 1992, the High Court of Australia recognised a form of native title which protects the rights of indigenous people in relation to land and water in certain circumstances. As a result of this decision, the *Native Title Act 1993* (Cth) (Native Title Act) was enacted to recognise and protect existing native title by providing a mechanism for the determination of native title claims and a statutory right for Aboriginal groups or persons to negotiate, object, and/or be consulted when, among other things, there is an expansion of, or change to, the rights and interests in the land which affects native title and which constitutes a future act under the Native Title Act.

The existence of these claims does not necessarily prevent continued mining under existing tenements. Tenements granted prior to 1 January 1994 are not future acts and do not need to comply with the aforementioned consultation or negotiation procedures.

As a general rule, tenements granted (or in some cases re-granted) after 1 January 1994 need to comply with this process. However, in Western Australia, some tenements were granted without complying with this consultation or negotiation process on the basis of then prevailing Western Australian legislation. This legislation was subsequently found to be invalid as it conflicted with the Native Title Act which is Commonwealth legislation. Subsequent legislation was passed (*Titles Validation Amendment Act 1999* (WA)) validating the grant of tenements between 1 January 1994 and 23 December 1996, provided certain conditions were met under the Native Title Act.

Certain of Gold Fields' tenements are currently subject to native title claims and a determination of native title. However, most of Gold Fields' tenements were granted prior to 1 January 1994. Where tenements were granted between 1 January 1994 and 23 December 1996, Gold Fields believes it has complied with the conditions set out by the Native Title Act for those tenements to be validly granted. On those tenements granted after 23 December 1996, Gold Fields has either entered into (or will enter into) agreements with the claimant parties which provide the Company with security of tenure or utilised a valid exemption from the consultation and negotiation process under the Native Title Act. Therefore, any existing or future recognition of native title over any of these tenements will not have a material effect on Gold Fields' tenure during the operation of these agreements. See *Annual Financial Report Notes to the consolidated financial statements Note 35. Contingent liabilities* .

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Peru

Regulatory

The regulatory framework governing the development of mining activities in Peru mainly consists of the General Mining Act (*Ley General de Minería*) (the LGM) and regulations relating to mining procedures, health and safety, environmental protection, and mining investment and guarantees. Mining activities as defined by the LGM include surveying, prospecting, exploration, exploitation, general workings, beneficiation, trading and transportation of ore.

In addition to general taxation, mining companies are also subject to a special tax regime established in 2011 through the amendment of the Mining Royalty Law and enactment of the Special Mining Tax Law and the Special Mining Charge Law.

Regulatory and Supervisory Entities

In general terms, the principal regulator of mining activities in Peru is MEM through its General Bureau of Mining (*Dirección General de Minería*) (DGM) and its General Bureau of Mining and Environmental Affairs (*Dirección General de Asuntos Ambientales Mineros*).

Additionally, since 28 December 2015, the National Environmental Certification Service for Sustainable Investment (SENACE) has been authorised to review and approve the EIA studies of projects that have a national or multi-regional influence, and that may generate significant environmental impacts.

Other relevant regulatory institutions include the *Instituto Geológico Minero y Metalúrgico* (INGEMMET), the OSINERGMIN, the OEFA, the National Water Authority, the Ministry of Culture and the National Superintendence of Labour Inspection (SUNAFIL).

Concessions

In accordance with the LGM, mining activities (except surveying, prospecting and trading) must be performed exclusively under the concession system. A concession confers upon its holder the exclusive right to develop a specific mining activity within a defined area. The LGM establishes four types of concessions:

Mining Concessions

A mining concession is a real property interest independent and separate from surface land located within the co-ordinates of the concession. Holders of mining concessions or of any pending claims for mining concessions must comply with payment of an annual mining good standing fee (Mining Good Standing Fee) of U.S.\$3.00 per year per hectare in order to maintain the concessions in good standing. The payment starts from the year in which the claim was filed and must be paid for as long as the concessions are held. Holders of mining concessions are also required to meet minimum annual production targets prescribed by law, which will have to be demonstrated in the Annual Consolidated Statement filed with the MEM. Titleholders are entitled to group multiple concessions into Administrative Economic Units to comply with the minimum production requirement, provided certain conditions are met. In the case of mining concessions obtained prior to October 2008, the minimum annual production target for concessions to mine metals is equivalent to U.S.\$100.00 per hectare per year.

In the case of mining concessions obtained starting in October 2008, the minimum annual production target for metallic concessions is equivalent to one Fiscal Payment Unit (UIT) per hectare per year. The UIT is fixed on a yearly

basis and was set to equal S/.4,150, or approximately U.S.\$1,226.92, in 2018. La Cima owns mining concessions acquired before and after October 2008 and therefore is subject to both production target requirements. La Cima is currently in compliance with both requirements.

Table of Contents***Beneficiation Concessions***

Beneficiation or process concessions confer the right to extract or concentrate the valuable substances of an aggregate of minerals and/or to smelt, purify or refine metals through a set of physical, chemical and/or physicochemical processes. As with mining concessions, holders of beneficiation concessions are required to pay the Mining Good Standing Fee, which is calculated on the basis of the production capacity of the processing plant. La Cima was granted a permit for a processing plant with a capacity of 18,600 tonnes per day by MEM which was later modified to increase the capacity of the processing plant to 22,320 tonnes per day. The current installed capacity of the processing plant is 19,920 tonnes per day. In fiscal 2018, La Cima paid S/41,159.70, or approximately U.S.\$12,552.51, Mining Good Standing Fee in connection with its beneficiation concessions.

General Working Concessions

General workings concessions confer the right to render ancillary services to two or more mining concession holders. The following are considered ancillary services: ventilation, drainage, hoisting or extraction in favour of two or more concessions of different concessionaires.

Ore Transportation Concessions

Ore transportation concessions confer the right to install and operate a system for the continuous massive transportation of mineral products between one or more mining centres and a port or beneficiation plant, or a refinery, or along one or more stretches of these routes. The ore transportation system must be non-conventional, such as conveyor belts, pipelines or cable cars, among others. Conventional transportation systems are authorised by the Ministry of Transport and Communications.

Mining Royalty and Other Special Mining Taxes and Charges

In addition to general taxation, mining companies are subject to a special tax regime established, in its current form, in September 2011. With respect to the general taxation regime, relevant changes have been introduced with effect from 1 January 2017 to corporate and dividends income tax rates. For fiscal 2017, the corporate tax rate has been increased from 28 per cent. to 29.5 per cent. In turn, the dividends tax rate applicable to non-resident shareholders of Peruvian companies has reduced from 6.8 per cent. to 5 per cent.

The special tax regime is structured around the Mining Royalty Law, the Special Mining Tax Law and the Special Mining Charge Law. The Mining Royalty Law established payment of a mining royalty by owners of mining concessions for the exploitation of metallic and non-metallic resources. This mining royalty was originally calculated on the basis of revenues obtained from the sales of minerals. However, in September 2011, an amendment to the Mining Royalty Law was approved establishing that, as of October 2011, the mining royalty will be determined by applying a sliding scale rate (ranging from 1 per cent. to 12 per cent., previously 1 per cent. to 3 per cent. of sales) based on the quarterly operating profits of mining companies. Mining royalties are deductible for income tax purposes.

Also, in September 2011, the Special Mining Tax Law and the Special Mining Charge Law were enacted. The Special Mining Tax is payable by mining companies that have not executed a Mining Tax Stability Agreement with the MEM. The Special Mining Tax is calculated by applying a sliding scale of rates (ranging from 2 per cent. to 8.4 per cent.) based on the quarterly operating profits of the mining company and is deductible for income tax purposes. This Special Mining Tax applies to La Cima as the company has not executed a Mining Tax Stability Agreement with the MEM. While the Company has not executed a Mining Tax Stability Agreement, Gold Fields concluded an Investor

Stability Agreement (ISA) with the Private Investment Promotion Agency (PROINVERSION), which was valid for 10 years and expired in October 2017.

The Special Mining Charge is similar to the Special Mining Tax but applies to mining companies that have executed a Mining Tax Stability Agreement with the MEM and the sliding scale of rates ranges from 4 per cent.

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to 13.12 per cent. based on the quarterly operating profits of mining companies. The Special Mining Charge does not apply to La Cima.

In addition to the above, beginning with their annual income in calendar 2012, mining companies must contribute an amount equivalent to 0.5 per cent. of their annual income before taxes to fund the Complementary Retirement Fund for Mining, Metal and Iron and Steel.

Also, since July 2012, mining companies are required to pay an annual supervisory contribution to the *Organismo Supervisor de la Inversión en Energía y Minería* (OSINERGMIN) and the *Organismo de Evaluación y Fiscalización Ambiental* (OEFA) to fund safety and environmental supervisions. OSINERGMIN is the national regulatory and supervisory agency in energy and mining activities on safety issues and OEFA is the national agency for environmental assessment and control. The rates for these contributions are set by supreme decree. The sum of both contributions may not exceed an amount equivalent to 1 per cent. of the total value of annual invoicing for concentrate sales, after deducting VAT. For fiscal 2018, the contributions to OSINERGMIN and OEFA were equivalent to 0.14 per cent. and 0.11 per cent. of the annual invoicing, respectively. In fiscal 2018, La Cima paid a total of approximately U.S.\$849,122.73 million in such contributions. La Cima has paid these contributions under protest and has filed two constitutional actions against OSINERGMIN and OEFA questioning the constitutionality and legality of these contributions. These actions are still in progress.

Environmental

The environmental impact of mining activities in Peru is regulated by the Regulations on Environmental Protection and Management for Mining Exploitation, Beneficiation, General Labour, Transportation and Storage Activities, which entered into force on 14 March 2015 with the publication of the relevant terms of reference.

According to the above regulations, the following environmental instruments are required to be produced in order to perform mining activities:

Environmental Impact Declaration (DIA) and Semi-Detailed Environmental Impact Assessment

(SD-EIA): DIAs and SD-EIAs are required for mining exploration projects, depending on the magnitude and impact that the activities intended to be carried out may have on the environment. DIAs and SD-EIAs contain detailed environmental and social information on the area where exploration activities will be carried out, on the project and works to be performed, and on the measures that will be taken to control and mitigate any environmental impacts caused. The initiation of exploration activities needs to have been previously authorised by the DGM. A SD-EIA or DIA is required for such authorisation to be obtained.

EIA: EIAs are required for new projects, expansions or changes to existing operations and projects moving from the exploration stage to development. EIAs must evaluate the physical, biological, socio-economic and cultural impacts on the environment resulting from the operation of mining projects.

According to Ministerial Resolution N° 120-2014-MEM/DM modifications of mining projects which entail insignificant environmental impacts are required to submit to the authority a Supporting Technical Report (STRs), which is a simplified EIA. The period for evaluation and approval of STRs by the authority is considerably shorter than an EIA. The number of STRs is restricted to three per mining unit but only for those STRs related to the main mining components (pits, tailings storage facilities, waste rock storage facilities, concentrator plant, among others).

A law regulating mine closures requires mining companies to ensure the availability of the resources necessary for the execution of an adequate mine closure plan, including a mine closure cost estimate, in order to prevent, minimise and control the risks to and negative effects on health, personal safety and the environment that may be generated or may continue after the cessation of mining operations. Furthermore, the law obligates holders of mining concessions to furnish guarantees in favour of the MEM to ensure that they will carry out their

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mine closure plans in accordance with the environmental protection regulations and to ensure that the MEM has the necessary funds to execute the mine closure plan in the event of non-compliance by the holder of the mining concession. Mine concession holders may satisfy these requirements by providing to the MEM stand-by letters of credit (bank guarantees) to cover the amount of any mine closure plan. La Cima's mine closure plan for Cerro Corona was approved in 2008 and subsequently amended in 2010, 2011, 2013, 2014 and 2017. This mine closure plan is guaranteed by a bond letter of U.S.\$53,439,521.67, issued by Credit Bank Peru and Scotiabank Peru.

Water Quality Standards

In December 2015, the Ministry of Environment passed Supreme Decree N° 15-2015-MINAM (the Supreme Decree), which modified the Environmental Quality Standards (ECA) applicable to water courses. The Supreme Decree is binding from the date of its publication. This regulation established less stringent new parameters in physical and chemical, inorganic, organic, microbiological and parasitological compounds, compared to the previously approved ECA. Under the Supreme Decree, holders of mining activities that are conducting environmental studies had to report to the MEM by 17 February 2016 on whether such instruments complied with the amended ECA, or if they required an adjustment.

In line with this requirement, La Cima reported that its environmental study needed to be adjusted to the amended ECA and submitted a response plan to the MEM on 14 March 2017. On 29 December 2017, the MEM approved the citizen participation plan contained in the Cerro Corona's response plan with regards to the ECA 2015. The citizen participation plan, which is aimed at informing the settlers of the area about Cerro Corona's response plan, is being implemented by La Cima. There is no legal requirement that the community issues a document for approval of the response plan.

The plan will be evaluated by the MEM and the approved plan must be implemented by La Cima to comply with the ECA within three years of approval, and La Cima estimates that the response plan will be approved in the second quarter of fiscal 2019. In the response plan, La Cima proposed management activities to be conducted during the remaining operational period of Cerro Corona, as no specific comments can be made relating to the post closure water treatment plans due to the uncertainties discussed below. In the specific case of La Cima, the response plan relates to the mine's operational stage only and neither considers nor proposes actions for the closure and post-closure phases. Detailed mine closure activities, including post closure water treatment plans, have to be submitted two years before mine closure, as required by Peruvian legislation. Based on the current LOM for La Cima, the detailed mine closure plan will be submitted in 2028 as operations are planned to end in 2030.

Based on currently available information, including geohydrological studies, geochemical landform cover analysis and reactive material mitigation studies, initiated in 2016 and continuing into 2017 and 2018, it has been concluded that Cerro Corona is not in a position to calculate a reasonable and defensible cost estimate of the post-closure liability in relation to the management and, if required, treatment, of surface water run-off.

One of the studies being performed to provide a reliable, reasonable and defensible estimate of the post closure liabilities is the pilot testing of Tecnosoles, a technology consisting of a mix of organic and inorganic materials to cover the WSF, TSF beaches and pit walls in order to control the generation of acid rock drainage with the primary aim of mitigating the risk of long-term liability. In addition, Cerro Corona developed a trade-off study to compare different closure alternatives for the WSF. The study compares the alternatives based on economic, environmental, social and operation criteria. The trade-off study was done during 2018. The Group will further evaluate preferred options in line with its requirements through a pre-feasibility study, which is aimed to be complete in mid-2020.

Other Permits and Regulations

Another issue at Cerro Corona, though unrelated to the pit lake issue described above, is that, on 23 May 2014, La Cima received formal authorisation from the Manuel Vasquez Association to relocate the Tomas Spring and to start the permit application process regarding the relocation. On 6 March 2015, La Cima obtained

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authorisation to relocate the water source of the Tomas Spring, which is located inside the final footprint of the tailings storage facility for Cerro Corona, to a higher elevation above the final footprint, in order to continue with the planned expansion of the facility. The construction programme and mitigation measures have been implemented. The Tomas Spring was sealed and its water catchment relocated to a higher elevation called TCB-25. The remaining flow of Las Tomas Spring under the seal has been diverted outside the footprint of the TSF to La Hierba creek under the authorisation of the competent authority.

Other matters subject to regulation include, but are not limited to, transportation of ore or hazardous substances, water use and discharges, power use and generation, use and storage of explosives, housing and other facilities for workers, reclamation, labour standards and mine safety and occupational health.

Soil Quality Standards

In April 2013, the government of Peru approved soil quality standards for all industries, including extractive industries. These standards established that all companies that generate an impact on soil as a consequence of their activities must submit a report to the MEM by April 2015 with the characterisation of soil quality in their areas of influence and, if applicable, a remediation plan within two years from the date of approval of such report. On 10 April 2015, after submitting a report to the MEM with the results of soil sampling in Cerro Corona and nearby areas, La Cima obtained the MEM's approval of the report in December 2017. In addition, La Cima was not required to continue with the next steps established by the soil quality standards regulation.

In December 2017, Peru's environmental authority approved new Soil Quality Standards for all industries, replacing Supreme Decree N° 002-2013-MINAM. This new regulation obligates any natural or legal person to execute actions of remediation of contaminated sites if Soil ECAs associated with the productive, extractive activities and of services are exceeded. This obligation does not apply when the ECA for Soil is lower than the initial concentrations of natural origin of the chemicals present in the soil.

Environmental Sanctioning Regime

The environmental compliance included in environmental management instruments is supervised by the OEFA, which is the governing body of the National System of Environmental Assessment (*Sistema Nacional de Evaluación y Fiscalización Ambiental*, or SINEFA). Those found in violation of any licence or permit non-compliance will be supervised by a competent authority such as the Environmental Supervisory Entity (*Entidad de Fiscalización Ambiental* or EFA). According to the current environmental regulation, there can be three types of EFA:

National EFA: Some departments and technical specialised organisations exercise functions of environmental supervision through their directions, areas or environmental offices.

Regional EFA: The regional governments exercise functions of environmental supervision through the areas of natural resources, energy, mines and hydrocarbons, environmental health, fish farming and handcrafted fishing.

Local EFA: The provincial and local municipalities exercise functions of environmental supervision through their organic environmental units.

Social Matters

According to the Environmental Act, every individual is entitled to take part in a responsible manner in decision-making processes related to, and in the establishment and application of, environmental policies and measures, including those related to environmental components, adopted at each government level.

Citizen Participation: The mining industry in Peru is governed by citizen participation regulations that provide for the responsible participation of individuals in the definition and application of measures, actions and decisions made by competent authorities regarding sustainable operation of mining

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activities in the country. Mining operators must establish citizen participation mechanisms throughout the life of their projects from initial exploration to mine closure. The legislation contemplates different types of mechanisms for citizen participation. These include public hearings, informational workshops, opinion surveys, suggestion boxes, technical panels, roundtables, participatory monitoring and permanent office information services, among others.

Right to Prior Consultation: On 7 September 2011, the Peruvian government approved the Law of Prior Consultation of Indigenous or Tribal Populations recognised.

In Convention 169 of the International Labour Organisation: This law establishes that the Peruvian government must consult in advance with indigenous or tribal populations on legislative or administrative measures (including pending claims for mining concessions) that may directly affect the collective rights related to their physical existence, cultural identity, quality of life or development. This duty of consultation is owed by the Peruvian government, not Gold Fields or investors.

While the final decision to move forward with legislative or administrative measures on which consultation is sought rests with the Peruvian government, even in the absence of agreement, the Peruvian government has an obligation to take all necessary measures to ensure that the collective rights of indigenous or tribal populations are protected.

Table of Contents**DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****Directors**

Name	Age	Position	Term Expires⁽¹⁾
Cheryl A. Carolus	60	Non-executive Chair	May 2021
Nicholas J. Holland	60	Executive Director and Chief Executive Officer	May 2020
Paul A. Schmidt	51	Executive Director and Chief Financial Officer	May 2019
Alhassan Andani	57	Non-executive Director	May 2019
Peter J. Bacchus	50	Non-executive Director	May 2019
Terence P. Goodlace	59	Non-executive Director	May 2020
Carmen Letton	53	Non-executive Director	May 2019
Richard P. Menell	63	Non-executive Director and Deputy Chair	May 2020
Steven P. Reid	63	Non-executive Director	May 2021
Yunus G.H. Suleman	61	Non-executive Director	May 2020
Phuthi Mahanyele-Dabengwa ¹	48	Non-executive Director	May 2019

Notes:

(1) Terms expire on the date of the annual general meeting in that year for newly appointed directors and, the other directors, within a three year period after their first election.

Executive Directors

Nicholas J. Holland BCom, BAcc, Witwatersrand; CA (SA)

Executive Director and Chief Executive Officer. Mr. Holland has been an Executive Director of Gold Fields since 14 April 1998 and became Chief Executive Officer on 1 May 2008. He served as Executive Director of Finance from April 1997. On 15 April 2002, his title changed to Chief Financial Officer until 30 April 2008. Mr. Holland has more than 39 years' experience in financial management and over 29 years of experience in the mining industry. Prior to joining Gold Fields, he was Financial Director and Senior Manager of Corporate Finance of Gencor Limited and a Director of Rand Refinery from 12 July 2000 until 30 September 2008. He remained an alternate director until February 2013.

Paul A. Schmidt BCom, Witwatersrand; BCompt (Hons), UNISA; CA (SA)

Executive Director and Chief Financial Officer. Mr. Schmidt was appointed Chief Financial Officer on 1 January 2009 and joined the Board on 6 November 2009. Prior to this, Mr. Schmidt was acting Chief Financial Officer from 1 May 2008. Prior to this appointment, Mr. Schmidt was financial controller for Gold Fields from 1 April 2003. He has more than 23 years' experience in the mining industry. Mr. Schmidt holds no other directorships.

Non-Executive Directors

Cheryl A. Carolus BA Law; Bachelor of Education, University of the Western Cape; Honorary Doctorate in Law, University of Cape Town

Chair of the Board. Ms. Carolus has been a director of Gold Fields since 10 March 2009. She was appointed Non-executive Chair effective 14 February 2013. Ms. Carolus is an Executive Chairperson of Peotona Group Holdings, which has diverse interests in mining. In 2009, she was appointed Chairperson of the Board of South African Airways and served on a number of listed and unlisted companies, including De Beers and Investec. Ms. Carolus has previously held senior leadership positions in the liberation movement in South Africa and in the ANC. She has served as Deputy Secretary General under Nelson Mandela and helped to negotiate the new South

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African constitution and co-ordinate the drafting of post-apartheid ANC policy. She served as South Africa's High Commissioner to the United Kingdom from 1998 to 2001 and was the CEO of SA Tourism from 2001 to 2004. She was Chairperson of South African National Parks Board for six years and currently serves on the boards of other public and private companies and not-for-profit organisations, including the International Crisis Group, Soul City, World Wildlife Fund (South Africa and internationally), The British Museum (appointed by HM Queen Elizabeth), and is Chair Person of the SA Constitution Hill Education Trust. She also works with NGOs focused on young people at risk and conflict prevention. She was awarded an honorary doctorate in law from the University of Cape Town in 2004 for her contribution to freedom and human rights. She was awarded the French National Order of Merit by Elisabeth Barbier, the French Ambassador to South Africa, on 8 March 2014.

Richard P. Menell MA (Natural Sciences, Geology), Trinity College, Cambridge, United Kingdom; M.Sc. (Mineral Exploration and Management), Stanford University, California, United States of America

Mr. Menell was appointed Deputy Chair of the Board in August 2015 and has been a Director of Gold Fields since 8 October 2008. He has over 38 years' experience in the mining industry. Previously, he has been the President and Member of the Chamber of Mines, President and Chief Executive Officer of TEAL Exploration & Mining Inc., Executive Chairman of Anglovaal Mining Limited and Avgold Limited, Chairman of Bateman Engineering and Deputy Chairman of Harmony Gold Limited and African Rainbow Minerals. Director of Rockwell Diamonds Inc, the National Business Initiative and the Tourism Enterprise Partnership. He is currently a director of Weir Group Plc and Senior Advisor to Credit Suisse Securities Johannesburg. Mr. Menell is a Council Member of Business Leadership South Africa. He is also Chairman of the City Year South Africa Citizen Service Organisation, the Carrick Foundation and the Palaeo Anthropological Scientific Trust. Mr. Menell became a director of Sibanye-Stillwater with effect from 1 January 2013. Mr Menell became a Council Member of the University of the Western Cape with effect from 31 October 2018.

Peter J. Bacchus MA Economics, Cambridge University

Mr. Bacchus was appointed as a director of Gold Fields with effect from 1 September 2016. Mr. Bacchus is chairman of the independent merchant banking boutique, Bacchus Capital Advisers. He has acted as the global head of Mining and Metals and is joint head of European Investment Banking at investment bank Jefferies, a position he held until 2016. Before this he served as global head of Mining and Metals at Morgan Stanley, and prior to that, he was head of Investment Banking, Industrials and Natural Resources at Citigroup. Mr. Bacchus has spent 25 years in investment and corporate banking with a focus on the global natural resources sector and is a member of the Institute of Chartered Accountants, England and Wales.

He is also a director of Kenmare Resources, Galaxy Resources as well as Chairman of 308 Services Limited and a trustee of Space for Giants, an African-focused conservation charity. He was a non-executive director of UK-listed mining group NordGold.

Alhassan Andani BSc Agriculture, University of Ghana; MA Banking and Finance, Finafrica Institute, Italy

Mr. Andani was appointed as a director of Gold Fields on 1 August 2016. He is currently Chief Executive and Executive Director of Stanbic Bank Ghana; the Board Chairman of the Ghana CSIR (Council for Scientific & Industrial Research) and a director of SOS Villages Ghana and has held other corporate directorships in the past.

Carmen Letton PhD in Mineral Economics (UQ) and Degree in Engineering (Mining WASM)

Dr. Letton s has been appointed to the Board effective 1 May 2017. She is a mining engineer and mineral economist (PhD) with 33 years of global mining exposure, working for major and mid-tier mining houses in senior management and leadership roles, with experience in operations, corporate strategy development,

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engineering, asset and business development, continuous improvement, mergers and acquisitions. Currently, Dr. Letton is the Head, Open Resources Development Planning and Life of Asset Planning for the Technical and Sustainability Group in Anglo American, based in Australia. Dr. Letton has experience in large and medium sized projects in both the Australian and International mining environment; challenging operations leadership, complex technical roles; expertise in due diligence, corporate governance, risk management, corporate strategy and asset development. Core skills and accountabilities include operations executive general management and leadership of all key mine engineering faculties and associated technical services areas (Mine Engineering, Metallurgy, Geology).

Yunus G.H. Suleman *BCom, University of Kwa-Zulu Natal; BCompt (Hons), University of South Africa, CA (SA)*

Mr. Suleman was appointed as a director of Gold Fields with effect from 1 September 2016. Mr. Suleman serves as an independent non-executive director of Liberty Holdings Ltd, Liberty Group Limited and Albaraka Bank Limited and is the Global Treasurer of the World Memon Organisation. He was previously Chair of KPMG South Africa, Chairman of Enactus SA, as well as a director of Tiger Brands Limited.

Terence P. Goodlace *MBA Business Administration, University of Wales; BCom, University of South Africa; NHDip (Metalferrous Mining) Witwatersrand, Witwatersrand Technikon*

Mr. Goodlace was appointed as a director of Gold Fields with effect from 1 July 2016. Mr. Goodlace's mining career commenced in 1977, spanning nearly 41 years of working with different organisations. He has previously served as both an Executive Vice-President and the Chief Operating Officer for Gold Fields, having returned to the Company to serve as an independent non-executive director. He has experience serving as chief executive officer at Impala Platinum Holdings Limited and Metorex Limited. He served on the Impala Platinum Holdings Limited board for two years as an independent non-executive director and four and a half years as an executive director. He spent three years as an executive director of Metorex Limited. Mr. Goodlace is currently a non-executive director at Kumba Iron, as well as AfriTin Mining Limited.

Phuthi Mahanyele-Dabengwa *BA Economics, Rutgers, the State University of New Jersey, US; MBA, De Montford University, Leicester, UK; Executive Development Programme, Kennedy School of Government, Harvard University, US,*

Ms. Mahanyele-Dabengwa was appointed to the Board of Gold Fields on 1 September 2018.

Ms. Mahanyele-Dabengwa runs Sigma Capital, which she founded in 2016. Sigma Capital runs a private equity fund with Rand Merchant Bank and is also a long-term investor in other sectors outside the scope of the fund. Prior to Sigma, she spent 12 years with the Shanduka Group. At Shanduka she first managed Shanduka Energy before becoming CEO of the group of companies. Prior to Shanduka she headed up the project finance team at the Development Bank of Southern Africa. Prior to that she was Vice President at Fieldstone Private Capital group for six years.

Ms. Mahanyele-Dabengwa currently holds non-executive directorships at Vodacom, Comair and Discovery Insure and is on the advisory board of Stellenbosch University's Business School. In 2014 she was chosen as Forbes' Africa Business Woman of the Year.

Steven P. Reid *Bachelor of Applied Science in Mineral Engineering (Mining), South Australian Institute of Technology; MBA, Trium Global Executive NYU/LSE/HEC; Directors' Education Program, Institute of Corporate Directors*

Mr. Reid was appointed as a director of Gold Fields on 1 February 2016. He has over 42 years international mining experience and has held senior leadership roles in numerous countries. He has served as a director of Silver Standard Resources since January 2013 and a director of Eldorado Gold since May 2013. He served as

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chief operating officer of Goldcorp from January 2007 until his retirement in September 2012 and was Goldcorp's executive vice president in Canada and the USA. Before joining Goldcorp, Steven spent 13 years at Placer Dome in numerous corporate, mine-management and operating roles. He also held leadership positions at Kingsgate Consolidated and Newcrest Mining, where he was responsible for the Asian and Australian operations.

Executive Committee

Alfred Baku (52) MSc (Mining Engineering), University of Mines and Technology, Statutory Mines Manager certificate, Ghana Mines Department of Minerals Commission, Executive Education, University of Virginia, Darden School of Business, USA and member of the Australian Institute of Mining Metallurgy (AusIMM)

Mr. Baku has over two decades of mining experience, mostly in senior management positions at Gold Fields. Prior to joining Gold Fields, Alfred worked in Australia for Billiton and Ranger Minerals in production and mine planning engineering capacities. He joined the Damang Mine in 2002 as mine manager and a member of the senior management team. Alfred was appointed General Manager of the Damang Mine in 2008, General Manager of the Tarkwa Mine in 2010, and subsequently, Vice President of Operations for both mines. In 2013, Alfred was promoted to Senior Vice President for West Africa, becoming a member of the Group's Executive Committee. In February 2014, he became Executive Vice President and head of West Africa. As the Vice President of the Chamber's Executive Council, Mr. Baku serves on the Advisory Board of the Ministry of Lands and Natural Resources. He is also a member of the Australasian Institute of Mining and Metallurgy.

Richard J Butcher (55) Diploma Coal Mining Engineering Advanced Rock Engineering Certificate Graduate Diploma in Mining Engineering (Mineral economics) MSc (Eng) Mining Engineering & CEng (UK) / FAusIMM (CP) WA First Class (Mine Managers) Cert No: 766 General Managers Course Cert AGSM / UNSW

Executive Vice President: Technical. Mr. Butcher has over 35 years' experience in the mining industry, including 16 years experience in the gold sector, which has been obtained globally with companies that include Gencor, Anglo-American and Barrick. He was previously head of technical services at MMG, the overseas arm of the Chinese CMC/CMN Corporation. Mr. Butcher's position involves being discipline head for all technical functions, long-term planning and closure for the Group's operations in Australasia, Africa and South America.

Naseem A. Chohan (58) BE (Electronic), University of Limerick

Executive Vice President: Sustainable Development. Mr. Chohan was appointed to the position of Senior Vice President: Sustainable Development on 13 September 2010. Mr. Chohan was previously self-employed as a consultant to various companies and, prior to that, spent 25 years in various management and leadership roles at De Beers. When he left De Beers in 2009, he was acting as Group Consultant, Sustainability and ECOHS (Environment, Community, Occupational Health and Hygiene and Safety).

Taryn L. Harmse (46) BCom & LLB, University of Johannesburg, Advanced Corporate Law, University of Witwatersrand

Executive Vice-President: Group General Counsel. Ms. Harmse was appointed Executive Vice-President: Group General Counsel on 1 May 2014. Ms. Harmse was appointed as Assistant General Counsel and Company Secretary on 1 August 2013 and resigned from the position of Company Secretary on 15 September 2014. She previously served as Assistant General Counsel and Vice President, Group Legal. Before joining Gold Fields, Ms. Harmse worked at Linklaters LLP in London for a number of years having completed her articles at Hofmeyr Herbstein Gihwala (now Cliffe Dekker Hofmeyr). She was admitted as an attorney to the High Court of South Africa in 2000.

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Stuart J. Mathews (58) Master of Science (Geology) from University of Canterbury, New Zealand

Executive Vice-President: Australasia. Stuart Mathews is an international mining professional with 27 years experience having worked in Australia (Queensland, NSW, WA), Mexico and New Zealand. He has progressed through geology ranks to Geology Manager level and in the last 13 years worked in project development and general operations management to COO level. Stuart joined Gold Fields in mid-2013 initially at St. Ives, and then General Manager at Granny Smith Mine after which he became Vice President Operations: Australia. From 1 February 2017, Stuart took over the position of Executive Vice President: Australasia.

Brett J. Mattison (40) BCom (Hons) Law, BAcc, University of Stellenbosch; Masters in Law, Higher Tax Diploma, University of Johannesburg; Exec. MBA (PLD), Harvard Business School

Executive Vice-President: Strategy, Planning and Corporate Development. Mr. Mattison was appointed Executive Vice-President: Strategy, Planning and Corporate Development effective 1 May 2013. He began his career with Gold Fields in 2001 as part of the Global Legal team providing commercial, legal and tax structuring advice in relation to various global transactions. He subsequently joined the Corporate Development team in 2005 where he worked for six years in South Africa, Peru and Australia until 2010. In late 2010, Mr. Mattison was appointed as the Country Manager of the Philippines tasked with the mandate of setting up Gold Fields activities in the Philippines. In 2013, he returned to South Africa to take up his current position and drive growth and strategy for the Group.

Avishkar Nagaser (35) BBusSc Finance and Economics, University of KwaZulu-Natal

Executive Vice President: Investor Relations and Corporate Affairs. Mr. Nagaser joined Gold Fields as Executive Vice President: Investor Relations and Corporate Affairs in January 2015. Before joining Gold Fields, he was with Merrill Lynch from 2012 to 2014 and Macquarie from 2007 to 2012, where he held the position of gold and platinum equity research analyst.

Martin Preece (54) Tech in Mining, Witwatersrand Technicon, South Africa; Executive Development Programme, Gordon Institute of Business Science (GIBS); Accelerated Development Programme, London Business School

Executive Vice President: South Africa. Martin joined Gold Fields as Executive Vice President: South Africa in May 2017. He previously held the position of Chief Operating Officer at De Beers South Africa. Martin has 34 years of mining experience, starting his career as a learner miner and held a number of operational and technical roles before taking up mine manager positions at various operations both locally and internationally. After moving to group level at De Beers, he held positions as mine strategist and business development manager before becoming Chief Operating Officer.

Luis A. Rivera (53) Bachelor Degree in Geology, the Title of Geological Engineer, both by the Universidad de San Marcos

Executive Vice-President of the Americas Region for Gold Fields La Cima S.A. Mr. Rivera joined Gold Fields in October 2016. Prior to joining Gold Fields, Mr. Rivera was, since 2014, the General Manager and Vice-President of Operations for Las Bambas and before that, since 2013, was the General Manager of Copper Operations for Glencore Peru and, since 2012, Executive General Manager for all Xstrata Copper Operations in Peru. His career also includes five years as General Manager of the large Copper Tintaya and Antapaccay operations, as well as 11 years of experience in the Xstrata Copper Operations of Minera Alumbrera, a large gold copper operation in North Argentina, where he became Tech Services Manager after servicing as Chief Engineer and Senior Geologist. Mr. Rivera has over 29 years experience in the copper and gold mining industry, in large open pit copper project and operations in Peru

and Argentina, including his direct involvement and leadership in the merge & acquisition of Falconbridge Inc. and BHP Tintaya S.A. by Xstrata Copper as well as the sale of Las Bambas Project by Glencore to the Chinese JV led by MMG.

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Rosh Bardien (47) BCom (Honours), University of KwaZulu-Natal, Advanced Labour Relations and Strategic Management Diploma, University of Pretoria.

Executive Vice President: People and Organisational Effectiveness. Ms. Bardien joined Gold Fields as Executive Vice President, People and Organisational Effectiveness on 1 February 2018. She has over 20 years global experience as a senior human resource professional, both in the public and private sectors. Most recently Rosh was GM in Human Resources and Transformation at ArcelorMittal South Africa from April 2016. Prior to that, Ms. Bardien worked for ArcelorMittal in the UK from March 2015. She held the position of Group Head of HR at London Mining Plc from January 2012 to February 2015. She also held senior and executive positions at Kraft International, First National Bank, Riversdale Mining Ltd, Mvelaphanda Resources and the South African National Department of Labour.

Company Secretary

Lucy M. M. Mokoka (47) BJuris, University of Durban-Westville and LLB degree, University of Pretoria

Company Secretary. Ms. Lucy Mokoka was appointed Company Secretary of Gold Fields on 16 September 2014. Prior to joining Gold Fields, Ms. Mokoka was General Manager: Company Secretary, for MTN South Africa (Pty) Ltd from 1 October 2010 to 15 September 2014 and Director: Company Secretarial at the Standard Bank between January 2009 and December 2009. Ms. Mokoka is an admitted attorney and has held various roles as a Company Secretary and Legal Advisor. Her career includes roles as Company Secretary for Ithala Limited, Tongaat-Hulett and Standard Bank. She has also acted as legal advisor to the South African Revenue Service and the State Attorney's office.

Employees

The total number of employees, excluding employees of outside contractors who are not on Gold Fields payroll, as of the end of fiscal 2018 at each of the operations owned by Gold Fields as of those dates was:

	As of 31 December 2018⁽¹⁾⁽²⁾
Americas	373
Australia	1,577
South Africa ⁽³⁾	2,472
West Africa	1,079
Corporate Office	100
Total	5,601

Note:

(1) For the total number of employees as of the end of fiscal 2018 and 2017, see *Integrated Annual Report Safe operational delivery Fit-for-purpose workforce Workforce profile* .

(2)

The employee numbers presented do not include contractors who are not on the payroll. For the number of contractors at Gold Fields operations as of the end of fiscal 2018 and 2017, see *Integrated Annual Report Safe operational delivery Fit-For-Purpose Workforce Workforce profile* .

- (3) Total number of employees at South Deep at the end of the first quarter in 2018 prior to the restructuring was 3,983.

TRIFR, Fatalities and Fatal Injury Frequency Rate

In fiscal 2018, Gold Fields continued to focus on implementing its Group Safety Reporting Guideline, which is based on ICMM guidelines. Since fiscal 2013, Gold Fields has aligned its health and safety metrics with those of the ICMM, headed by the TRIFR. As Gold Fields peer companies tend to use the TRIFR metric, this alignment assists with benchmarking of Group performance against the wider sector.

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The following tables set out the TRIFR data for Gold Fields' mining operations for the periods indicated. The tables also provide the number of fatalities and fatal injury frequency rate data for Gold Fields' South African, West African, Australian and Americas operation.

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West Africa

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Australia

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South America

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To the knowledge of management: (1) Gold Fields is not directly or indirectly owned or controlled (a) by another corporation or (b) by any foreign government; and (2) there are no arrangements the operation of which may at a subsequent date result in a change in control of Gold Fields. To the knowledge of Gold Fields management, there is no controlling shareholder of Gold Fields.

A list of the individuals and organisations holding, to the knowledge of management, directly or indirectly, 5 per cent. or more of its issued share capital as of 22 February 2019 is set forth below.

	Ordinary shares	Percentage
Beneficial owner		
VanEck Vectors Gold Miners ETF	54,411,708	6.57%
Government Employees Pension Fund	52,613,271	6.35%
Market Vectors Junior Gold Miners ETF	43,511,966	5.25%

To the knowledge of management, none of the above shareholders hold voting rights which are different from those held by Gold Fields other shareholders.

The table below shows the significant changes in the percentage of ownership by Gold Fields major shareholders, to the knowledge of Gold Fields management, during the past three fiscal years.

	Beneficial ownership as of 31 December		
	2018	2017 (%)	2016
Beneficial owner			
Government Employees Pension Fund	7.31	7.68	7.84
VanEck Vectors Gold Miners ETF	7.09	4.53	5.94
Market Vectors Junior Gold Miners ETF	5.80	5.95	
LF Ruffer Gold Fund	3.05		
Black Rock Global Funds World Gold Fund			3.30

As of 22 March 2019, the issued share capital of Gold Fields consisted of 828,632,707 ordinary shares.

As of 22 February 2019, 124 record holders of Gold Fields ordinary shares, holding an aggregate of 379,955,007 ordinary shares (45.85 per cent.), including shares underlying Gold Fields ADRs, were listed as having addresses in the United States.

Related Party Transactions

Between 1 January 2019 and 22 March 2019, none of the directors, officers or major shareholders of Gold Fields or, to the knowledge of Gold Fields management, their families, had any interest, direct or indirect, in any transaction or in any proposed transaction which has affected or will materially affect Gold Fields or its investment interests or

subsidiaries, except those disclosed in note 40 to the consolidated financial statements for related party disclosure as required by IFRS, including for fiscal 2018.

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THE LISTING

The Company's shares trade on the Johannesburg Stock Exchange Limited (JSE) under the abbreviated name GFIELDS and the short code GFI and on the SIX Swiss Exchange under the trading symbol GOLI. The Company's ADSs trade on the New York Stock Exchange (NYSE) under the trading symbol GFI.

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ADDITIONAL INFORMATION

Memorandum of Incorporation

General

Gold Fields is a public company registered in South Africa under the Companies Act, which limits the liability of its shareholders, and is governed by its memorandum of incorporation, the Companies Act and the JSE Listings Requirements. Gold Fields' registration number is 1968/004880/06.

On 8 April 2009, South Africa passed the Companies Act, which came into force on 1 May 2011. At the annual general meeting held on 14 May 2012, Gold Fields adopted a new memorandum of incorporation (the Gold Fields MOI) to replace its memorandum of association and articles of association adopted under the previous Companies Act, or the Companies Act 61 of 1973. Gold Fields amended the Gold Fields MOI at its annual general meetings on 9 May 2013 and on 24 May 2017. The amended Gold Fields MOI conforms to the requirements of the Companies Act and the amended JSE Listings Requirements.

Clause 4 of the Gold Fields MOI provides that Gold Fields has the powers and capacity of a natural person and is not subject to any special conditions.

Dividends and Payments to Shareholders

Gold Fields may make distributions (including the payment of dividends) from time to time in accordance with provisions of the Companies Act, the JSE Listings Requirements and the Gold Fields MOI. In terms of the Companies Act, a company may only make a distribution (including the payment of any dividend) if:

it reasonably appears that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution;

the board of the company, by resolution, has acknowledged that it has applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

In terms of the Companies Act, a company satisfies the solvency and liquidity test at a particular time if, considering all reasonably foreseeable financial circumstances of the company at that time:

the assets of the company, fairly valued, equal or exceed the liabilities of the company, as fairly valued; and

it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of:

12 months after the date on which the test is considered; or

in the case of a distribution (including the payment of dividends), 12 months following that distribution.

Subject to the above requirements, the directors of Gold Fields may from time to time declare a dividend or any other distribution to shareholders in proportion to the number of shares held by them.

The Company must hold all monies due to the shareholders in trust indefinitely, subject to the laws of prescription. The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends, or other unclaimed distributions, to any one of the Company's bankers.

Voting Rights

Every shareholder of Gold Fields, or representative of a shareholder, who is present at a shareholders meeting has one vote on a show of hands, irrespective of the number of shares he or she holds or represents,

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provided that a representative of a shareholder shall, irrespective of the number of shareholders he or she represents, have only one vote. At a shareholders meeting, a resolution put to the vote shall be decided on a show of hands, unless a poll is demanded by not less than five persons having the right to vote on that matter, a person or persons entitled to exercise not less than one tenth of the total voting rights entitled to vote on that matter or the chairperson. Every Gold Fields shareholder is, on a poll, entitled to one vote per ordinary share held. Neither the Companies Act nor the Gold Fields MOI provide for cumulative voting.

A shareholder entitled to attend and vote at a shareholders meeting shall be entitled to appoint a proxy to attend, participate in, speak and vote at such shareholders meeting in the place of such shareholder. The proxy need not be a shareholder. However, the proxy may not delegate the authority granted to him or her as a proxy.

Issue of Additional Shares

In accordance with the provisions of the JSE Listings Requirements and the Gold Fields MOI, the Board shall not have the power to issue authorised shares other than:

the issue of capitalisation shares or the offer of a cash payment in lieu of awarding capitalisation shares;

issues in respect of a rights offer; and

issues which do not require the approval of shareholders in terms of the Companies Act or the JSE Listings Requirements, without shareholder approval.

In accordance with the provisions of the Companies Act:

an issue of shares must be approved by a special resolution of the shareholders of a company if the shares are issued to a director or officer of the company or any other person related or inter-related to the company, save for certain exceptions, including an issue pursuant to an employee share scheme; and

an issue of shares in a transaction requires approval of the shareholders by special resolution if the voting power of the shares that are issued as a result of the transaction will be equal to or exceed 30 per cent. of the voting power of all the shares held by shareholders immediately before the transaction.

Issues for Cash

In accordance with the provisions of the JSE Listings Requirements and the Gold Fields MOI, shareholders may either convey a:

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special authority to issue shares for cash on terms that are specifically approved by shareholders in a shareholders meeting in respect of a particular issue (Specific Issue for Cash); or

general authority to issue shares for cash on terms generally approved by shareholders in a shareholders meeting by granting the Board the authority to issue a specified number of securities for cash, which authority will be valid until the next annual general meeting or for 15 months from the date on which the resolution was passed, whichever period is shorter (General Issue for Cash).

In terms of the JSE Listings Requirements, a company may only undertake:

a Specific Issue for Cash or a General Issue for Cash on the basis that a 75 per cent. majority of votes cast by shareholders at a shareholders meeting must approve the granting of such authority to the directors;

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a General Issue for Cash is subject to satisfactory compliance with certain requirements, including:

the shares that are the subject of a General Issue for Cash may not exceed 5 per cent. of the company's listed shares; and

the maximum discount at which shares may be issued is 10 per cent. of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares.

Pre-emptive Rights

The Companies Act, the JSE Listings Requirements and the Gold Fields MOI require that any new issue of shares by Gold Fields must first be offered to existing shareholders in proportion to their shareholding in the Company, unless, among other things, the issuance to new shareholders is:

the necessary shareholder approvals have been obtained;

a capitalisation issue, an issue for an acquisition of assets (including another company) or an amalgamation or merger is to be undertaken; or

the shares are to be issued in terms of option or conversion rights.

Transfer of Shares

The transfer of any Gold Fields certificated shares will be implemented in accordance with the provisions of the Companies Act, using the then common form of transfer. Dematerialised shares, which have been traded on the JSE, are transferred on the STRATE system and delivered five business days after each trade. The transferor of any share is deemed to remain the holder of that share until the name of the transferee is entered in Gold Fields' register for that share. Since Gold Fields shares are traded through STRATE, only shares that have been dematerialised may be traded on the JSE. Accordingly, Gold Fields shareholders who hold shares in certificated form will need to dematerialise their shares in order to trade on the JSE.

Disclosure of Beneficial Interest in Shares

The Companies Act requires a registered holder of Gold Fields shares who is not the beneficial owner of such shares to disclose to Gold Fields, within five business days of the end of every month during which a change has occurred in the beneficial ownership, the identity of the beneficial owner and the number and class of securities held on behalf of the beneficial owner. Moreover, Gold Fields may, by notice in writing, require a person who is a registered shareholder, or whom Gold Fields knows or has reasonable cause to believe has a beneficial interest in Gold Fields ordinary shares, to confirm or deny whether or not such person holds the ordinary shares or beneficial interest and, if the ordinary shares are held for another person, to disclose to Gold Fields the identity of the person on whose behalf the ordinary shares are held. Gold Fields may also require the person to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice. Gold Fields is obliged to establish and maintain a register of the disclosures described above and to publish in its annual financial statements a list of the persons who

hold a beneficial interest equal to or in excess of 5 per cent. of the total number of ordinary shares issued by Gold Fields, together with the extent of those beneficial interests.

General Meetings of Shareholders

The shareholders and/or directors may convene Gold Fields shareholders meetings in accordance with the requirements of the Companies Act and the Gold Fields MOI. Gold Fields is obliged to hold an annual general meeting for each fiscal year prior to 15 months after the date of the last annual general meeting.

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Shareholders meetings, including annual general meetings, require at least 15 business days notice in writing of the place, day and time of the meeting to shareholders.

Business may be transacted at any shareholders meeting only while a quorum of shareholders is present. The quorum for the commencement of a shareholders meeting shall be sufficient persons present to exercise, in aggregate, at least 25 per cent. of all the voting rights that are entitled to be exercised, but the shareholders meeting may not begin unless, in addition, at least three shareholders entitled to vote are present at the meeting.

The annual general meeting deals with and disposes of all matters prescribed by the Gold Fields MOI and the Companies Act, including:

the presentation of the directors report, the audited financial statements for the immediately preceding financial year and the audit committee report;

the election of directors; and

the appointment of an auditor and an audit committee.

Accounting Records and Financial Statements

Gold Fields is required to keep the accounting records and books of accounts as are necessary to present the state of affairs of the Company and to explain the financial position of the Company as prescribed by the Companies Act.

The directors shall from time to time determine at what times and places and under what conditions, subject to the requirements of the Companies Act, shareholders are entitled to inspect and take copies of certain documents, including the Gold Fields MOI, accounting records required to be maintained by the Company and annual financial statements. Apart from the shareholders, no other person shall be entitled to inspect any of the documents of the Company (other than the share register) unless expressly authorised by the directors or in accordance with the Promotion of Access to Information Act, No 2 of 2000, as amended.

The directors of Gold Fields will cause to be prepared annual financial statements and an annual report as required by the Companies Act and the JSE Listings Requirements. Gold Fields will send by mail to the registered address of every shareholder a copy of the annual report and annual financial statements. Not later than three months after the first six months of its financial year, Gold Fields will mail to every shareholder an interim report for the previous six-month period.

Amendments to Gold Fields Memorandum of Incorporation

The Gold Fields shareholders may, by the passing of a special resolution in accordance with the provisions of the Companies Act and the Gold Fields MOI, amend the Gold Fields MOI, including:

the creation of any class of shares;

the variation of any preferences, rights, limitations and other terms attaching to any class of shares;

the conversion of one class of shares into one or more other classes;

an increase in Gold Fields' authorised share capital;

a consolidation of Gold Fields' equity securities;

a sub-division of Gold Fields' equity securities; and/or

the change of Gold Fields' name.

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Variation of Rights

All or any of the rights, privileges or conditions attached to Gold Fields ordinary shares may be varied by a special resolution of Gold Fields passed in accordance with the provisions of the Companies Act and the Gold Fields MOI.

Distribution of Assets on Liquidation

In the event of a voluntary or compulsory liquidation, dissolution or winding-up, the assets remaining after payment of all the debts and liabilities of Gold Fields, including the costs of liquidation, shall be dealt with by a liquidator who may, with the sanction of a special resolution, among other things, divide among the shareholders any part of the assets of Gold Fields, and may vest any part of the assets of Gold Fields as the liquidator deems fit in trust for the benefit of shareholders. The division of assets is not required to be done in accordance with the legal rights of shareholders of Gold Fields. In particular, any class may be given preferential or special rights or may be partly or fully excluded.

Employee Share Scheme

The Companies Act permits the establishment of employee share schemes, whether by means of a trust or otherwise, for the purpose of offering participation therein solely to employees, including salaried directors, officers and other persons closely involved in the business of the Company or a subsidiary of the Company, either by means of the issue of shares in the Company or by the grant of options for shares in the Company.

Purchase of Shares

Gold Fields or any subsidiary of Gold Fields may, if authorised by special resolution by way of a general approval, acquire ordinary shares in the capital of Gold Fields in accordance with the Companies Act and the JSE Listings Requirements, provided among other things that:

the number of its own ordinary shares acquired by Gold Fields in any one financial year shall not exceed 10 per cent. of the ordinary shares in issue at the date on which this resolution is passed;

this authority shall lapse on the earlier of the date of the next annual general meeting or the date 15 months after the date on which the special resolution is passed;

the Board has resolved to authorise the acquisition and that the Group will satisfy the solvency and liquidity test immediately after the acquisition and that since the test was done there have been no material changes to the financial position of the Group;

the price paid per ordinary share may not be greater than 10 per cent. above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which an acquisition is made;

the number of shares acquired by subsidiaries of Gold Fields shall not exceed 10 per cent. in the aggregate of the number of issued shares in Gold Fields.

Borrowing Powers

In terms of the provisions of Section 19(1) of the Companies Act, read together with Clause 4 of the Gold Fields MOI, the borrowing powers of the Company are unlimited.

Non-South African Shareholders

There are no limitations imposed by South African law or by the Memorandum of Incorporation of Gold Fields on the rights of non-South African shareholders to hold or vote Gold Fields ordinary shares.

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Rights of Minority Shareholders and Directors Duties

The Companies Act provides instances in which a minority shareholder may seek relief from the courts if he, she or it has been unfairly prejudiced by the Company.

In South Africa, a director of a company, when acting in that capacity, must exercise the powers and perform the functions of a director:

in good faith and for a proper purpose;

in the best interests of the company; and

with the degree of care, skill and diligence that may reasonably be expected of a person:

carrying out the same functions in relation to the company as those carried out by that director; and

having the general knowledge, skill and experience of that director.

Material Contracts

Ghana Credit Facility

Gold Fields Ghana and Abosso entered into a senior secured revolving credit facility agreement dated 22 December 2010, as amended and restated on 6 May 2014, pursuant to which The Standard Bank of South Africa Limited (Standard Bank) agreed to make available to Gold Fields Ghana and Abosso (the Ghana Borrowers) a senior secured revolving credit facility in a maximum aggregate principal amount of U.S.\$70 million (the Ghana Credit Facility).

With effect from 12 June 2017, the Ghana Borrowers, Standard Bank, the Security Agent and others agreed to further amend and restate the terms of the Ghana Credit Facility by, among other things, increasing the facility amount to U.S.\$100 million and charging additional assets by way of security in favour of the Security Agent.

With effect from 22 March 2018, the Ghana Borrowers, Standard Bank, the Security Agent and others again amended and restated the terms of the Ghana Credit Facility by, among other things, the Security Agent releasing the Ghana Borrowers from the security granted over certain fleet vehicles and other secured assets to secure the Ghana Borrowers' obligations under the Ghana Credit Facility.

With effect from 30 November 2018, the Ghana Borrowers, Standard Bank and others again amended and restated the terms of the Ghana Credit Facility by, among other things, reducing the Margin and extending the Final Maturity Date.

Under the Ghana Credit Facility, each Ghana Borrower must apply all amounts borrowed by it under the facility towards general corporate purposes, working capital purposes and/or capital expenditure purposes. Borrowings under this facility are guaranteed by the Ghana Borrowers.

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The Ghana Credit Facility bears interest at LIBOR plus a margin of 3.50 per cent. per annum. The Ghana Borrowers are required to pay a quarterly commitment fee of 1.40 per cent. per annum.

The final maturity date of the Ghana Facility is 30 November 2021.

The outstanding borrowings under the Ghana Credit Facility on 31 December 2018 and 31 December 2017 were U.S.\$45.0 million and U.S.\$45.0 million, respectively.

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La Cima Credit Facility

On 19 September 2017, La Cima entered into a U.S.\$150 million revolving senior secured credit facility agreement with, among others, Banco de Crédito del Perú and Scotiabank Perú S.A.A. (the La Cima Credit Facility) to refinance the revolving senior secured credit facility agreement dated 16 December 2014 between, among others, La Cima, Scotiabank Europe plc as mandated lead arranger and original lender and The Bank of Nova Scotia as agent.

Under the La Cima Credit Facility, the borrower shall apply all amounts borrowed by it under the Facility to finance the working capital requirements of the borrower; and/or for the general corporate purposes of the borrower. The final maturity date of this facility is 19 September 2020.

The facility bears interest at LIBOR plus a margin of 1.20 per cent. per annum. The borrowers are required to pay a quarterly commitment fee of 0.50 per cent. per annum.

Borrowings under the La Cima Credit Facility are secured by first-ranking assignments of all rights, title and interest in all of the borrower's concentrate sale agreements. In addition, the sale agreements shall include irrevocable payment instructions to the purchasers to, at all times, pay all proceeds under such sale agreements into secured collection accounts (Collection Accounts). The Collection Accounts will be subject to a first ranking charge in favour of the lenders. This facility is non-recourse to the rest of the Gold Fields Group.

The outstanding balance under La Cima Credit Facility 31 December 2018 and 31 December 2017 were U.S.\$83.5 million and U.S.\$83.5 million, respectively.

U.S.\$1 billion Notes Issue

On 30 September 2010, Gold Fields Orogen Holding (BVI) Limited (Orogen) announced the issue of U.S.\$1,000,000,000 4.875 per cent. guaranteed notes due 7 October 2020, issued 7 October 2010. Gold Fields, GFO, GF Holdings and Sibanye Gold Limited (the Guarantors) on a joint and several basis unconditionally and irrevocably guaranteed the payment of all amounts due in respect of the U.S.\$1 billion Notes. The U.S.\$1 billion Notes and guarantees constitute direct, unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively, and rank equally in right of payment among themselves and with all other existing and future unsubordinated and unsecured obligations of Orogen and the Guarantors, respectively. With effect from 24 April 2015, the noteholders released Sibanye Gold Limited as a Guarantor pursuant to a consent solicitation process.

Gold Fields used the net proceeds of the offering of the U.S.\$1 billion Notes to repay certain existing indebtedness of the Group and for general corporate purposes.

On 19 February 2016, a wholly-owned subsidiary of Gold Fields announced an offer to purchase U.S.\$200.0 million of the U.S.\$1 billion Notes at discounts of 17 per cent. to the original value. Gold Fields accepted for purchase an aggregate principal amount of the U.S.\$1 billion Notes equal to U.S.\$147.6 million at a purchase price of U.S.\$880 per U.S.\$1,000 in principal amount of the U.S.\$1 billion Notes. Gold Fields intends to hold the U.S.\$1 billion Notes acquired until their maturity date on 7 October 2020. The outstanding balance under this facility on 31 December 2018 was U.S.\$849.4 million compared to U.S.\$847.9 million on 31 December 2017.

R1,500 million Nedbank Revolving Credit Facility

On 1 March 2013, Nedbank Limited (Nedbank), acting through its Nedbank Corporate and Investment Banking Division, GFIJVH and GFO entered into a R1,500 million Revolving Credit Facility (the 2013 Nedbank Facility). The

purpose of the 2013 Nedbank Facility was to fund capital expenditure and general corporate and working capital requirements of the Gold Fields group. The 2013 Nedbank Facility matured on 7 March 2018.

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On 23 April 2018, Nedbank, GFIJVH, GFO and others entered into a R1,500 million Revolving Credit Facility (the 2018 Nedbank Facility). The purpose of the 2018 Nedbank Facility was to fund capital expenditure and general corporate and working capital requirements of the Gold Fields group. The 2018 Nedbank Facility will mature on 8 May 2023.

The 2018 Nedbank Facility bears interest at JIBAR plus a margin of 2.80 per cent. per annum. The borrowers are required to pay a commitment fee of 0.90 per cent. per annum every six months.

Borrowings under the 2018 Nedbank Facility are guaranteed by Gold Fields, GFO, GFIJVH, Orogen, GF Holdings, Gold Fields Ghana Holdings (BVI) Limited (GF Ghana) and Gruyere Holdings Pty Ltd (Gruyere Holdings).

The outstanding borrowings under the 2018 Nedbank Facility at 31 December 2018 and 31 December 2017 were nil and R1,000 million (U.S.\$79.5 million), respectively.

U.S.\$1,290 million Credit Facilities Agreement

On 6 June 2016, The Bank of Tokyo-Mitsubishi UFJ, Ltd., GFIJVH, GFO, Orogen, GF Ghana and certain wholly-owned subsidiaries of Gold Fields entered into a U.S.\$1,290 million Credit Facilities Agreement, or the U.S.\$1,290 million Credit Facilities Agreement. The U.S.\$1,290 million Credit Facilities Agreement comprises a:

U.S.\$380 million Term Loan (Facility A) maturing 6 June 2020;

U.S.\$360 million RCF (Facility B) maturing 6 June 2020; and

U.S.\$550 million RCF (Facility C) maturing 6 June 2021;

The facility bears interest at LIBOR plus a margin as follows:

the margin in relation to each Facility A Loan is 2.25 per cent. per annum;

the margin in relation to each Facility B Loan is 1.95 per cent. per annum; and

the margin in relation to each Facility C Loan is 2.20 per cent. per annum; based on the current long-term credit rating of Gold Fields. The margin shall be adjusted to the following percentages dependent on the long-term credit rating assigned from time to time to Gold Fields by either Moody's or Standard & Poor's:

Rating (Standard & Poor's)	Rating (Moody's)	Facility A Margin p.a.	Facility B Margin p.a.	Facility C Margin p.a.
BBB	Baa2	1.75%	1.45%	1.70%

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BBB-	Baa3	2.00%	1.70%	1.95%
BB+	Ba1	2.50%	2.20%	2.45%
BB	Ba2	3.00%	2.70%	2.95%
BB-	Ba3	3.50%	3.20%	3.45%

The borrowers are required to pay a quarterly commitment fee of 35 per cent. of the applicable margin per annum on the undrawn and uncanceled amounts of the facilities.

The borrowers must apply all amounts borrowed by them under the U.S.\$1,290 million Credit Facilities Agreement towards, firstly, (i) repayment of the U.S.\$1,510 million Term Loan and Revolving Credit Facility and thereafter (ii) their general corporate and working capital purposes.

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Borrowings under the U.S.\$1,290 million Credit Facilities Agreement are guaranteed by Gold Fields, Orogen, GF Holdings, GF Ghana, Gruyere Holdings, GFO and GFIJVH.

The outstanding borrowings under the U.S.\$1,290 million Credit Facilities Agreement at 31 December 2018 and 31 December 2017 were U.S.\$583 million and U.S.\$380 million, respectively.

R500 million ABSA Bank Revolving Credit Facility

Effective 31 March 2017, ABSA Bank Limited, GFIJVH, GFO and certain wholly-owned subsidiaries of Gold Fields entered into a R500 million Revolving Credit Facility. The purpose of the facility is to fund capital expenditure and general corporate and working capital requirements of the Gold Fields group. The tenor of the facility is six years. The final maturity date of this facility is 31 March 2020.

The facility bears interest at JIBAR plus a margin of 2.55 per cent. per annum based on the current long-term credit rating of Gold Fields.

The margin shall be adjusted to the following percentages dependent on the long-term credit rating assigned from time to time to Gold Fields by either Moody's or Standard & Poor's:

Rating	Margin (%)
BBB-/Baa3	2.05
BB+/Ba1	2.55
BB/Ba2	3.05

The borrowers are required to pay a commitment fee of 0.8925 per cent. per annum on the undrawn portion of the facility every six months.

Borrowings under the facility are guaranteed by Gold Fields, Orogen, GF Holdings, GF Ghana, Gruyere Holdings, GFO and GFIJVH.

The outstanding borrowings under this facility at 31 December 2018 and 31 December 2017 were R500 million (U.S.\$34.2 million) and nil, respectively.

R500 million Standard Bank Revolving Credit Facility

Effective 31 March 2017, Standard Bank, GFIJVH, GFO and certain wholly-owned subsidiaries of Gold Fields entered into a R500 million Revolving Credit Facility. The purpose of the facility is to fund capital expenditure and general corporate and working capital requirements of the Gold Fields group. The tenor of the facility is six years. The final maturity date of this facility is 31 March 2020.

The facility bears interest at JIBAR plus a margin of 2.75 per cent. per annum.

The borrowers are required to pay a commitment fee of 1.05 per cent. per annum on the undrawn portion of the facility every six months.

Borrowings under the facility are guaranteed by Gold Fields, Orogen, GF Holdings, GF Ghana, Gruyere Holdings, GFO and GFIJVH.

The outstanding borrowings under this facility at 31 December 2018 and 31 December 2017 were R200 million (U.S.\$13.7 million) and nil, respectively.

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Other Short-Term Credit Facilities

The Group utilised uncommitted loan facilities from some of the major banks to fund the capital expenditure and working capital requirements of the South African operations.

These facilities have no fixed terms, are short-term in nature and interest rates are market related. Borrowings under these facilities are guaranteed by Gold Fields.

The outstanding borrowings of Gold Fields under these facilities at 31 December 2018 were U.S.\$86.3 million, compared to U.S.\$114.1 million on 31 December 2017.

Management and Other Compensatory Plans and Arrangements

See *Annual Financial Report Remuneration Report Remuneration policy Long-term incentive (LTI) plan* , *Annual Financial Report Remuneration Report Remuneration policy Executive Minimum Shareholding Requirements (MSR) policy* and *Annual Financial Report Notes to the consolidated financial statements Note 5. Share-based payments* .

Gruyere Sale Agreement

On 7 November 2016, Gold Fields entered into a sale agreement with Gold Road Resources Limited for the acquisition of a 50 per cent. interest in the Gruyere Gold Project in Western Australia (the Gruyere Sale Agreement). The acquisition of the Gruyere Gold Project asset by Gold Fields was completed on 13 December 2016, for total consideration comprising A\$350 million in cash and a royalty. In terms of the cash consideration, A\$250 million will be paid to Gold Road at completion and A\$100 million is payable towards Gold Road's share of the Gruyere development and construction costs under an agreed joint venture construction cash call schedule. The royalty under the Gruyere Sale Agreement is 1.5 per cent. net smelter return royalty on Gold Fields' share of production after the total mine production at Gruyere exceeds 2Moz.

Gruyere Gold Project Joint Venture Agreement dated 6 December 2016, between Gruyere Mining Company Pty Ltd, Gold Road Resources Limited and others

Following completion of the acquisition under the Gruyere Sale Agreement, Gold Fields and Gold Road formed an unincorporated joint venture in respect of the development, construction and operation of the Gruyere Gold Project under a joint venture agreement dated 6 December 2016. The joint venture is initially on a 50:50 basis and provides that each party is responsible for its pro rata share of project expenditure. Gold Fields took over management of the project from Gold Road on 1 February 2017.

Gruyere Syndicated Facility

On 24 May 2017, Gruyere, a syndicated group of lenders and certain wholly-owned subsidiaries of Gold Fields entered into a A\$500 million revolving loan facility (the Gruyere Syndicated Facility). The purpose of the facility is to fund the repayment of certain intercompany loans incurred in connection with the acquisition of Gold Fields' 50 per cent. participating interest in the Gruyere Gold Project, meeting capital calls under the Gruyere Gold JV Agreement, funding capital expenditure in respect of the Gruyere Gold Project and the general corporate and working capital purposes of the Gold Fields group.

The final maturity date of this facility is 24 May 2021.

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The facility bears interest at the Australian Bank Bill Swap Reference Rate plus a margin of 2.175 per cent. per annum. The Margin shall however be adjusted to the percentage rate set out opposite the relevant long-term

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credit rating assigned to Gold Fields in the table below if a revised long-term credit rating assigned to Gold Fields by either Moody's or Standard & Poor's is published or withdrawn.

Rating	Margin (%)
Standard & Poor's / Moody's	
BBB / Baa2	1.75
BBB- / Baa3	2.00
BB+ / Ba1	2.35
BB / Ba2	2.60
BB- / Ba3	3.00

The borrowers are required to pay a quarterly commitment fee of 40 per cent. of the applicable Margin per annum on the undrawn portion of the facility.

Borrowings under the facility are guaranteed by Gold Fields, Orogen, GF Holdings, GF Ghana, GFO and GFIJVH.

The outstanding borrowings under the Gruyere Syndicated Facility at 31 December 2018 and 31 December 2017 were A\$450 million and A\$300 million, respectively.

Gruyere Bank Guarantee Facility

On 24 May 2017, Gruyere, Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, Westpac Banking Corporation and certain wholly owned subsidiaries of Gold Fields entered into a A\$75,000,000 bank guarantee facility (the Gruyere Bank Guarantee Facility).

Under the Gruyere Bank Guarantee Facility, the borrower shall use a bank guarantee towards providing credit support in connection with the Development Agreement and Electricity Supply Agreement with regard to the Gruyere Gold Project.

The final maturity date of this facility is 24 May 2019.

Gruyere paid the issuing banks an establishment fee of A\$225,000. In addition, Gruyere shall pay a quarterly bank guarantee fee at a rate of 0.60 per cent. per annum on the outstanding amount of each bank guarantee.

Gruyere's obligations under the Gruyere Bank Guarantee Facility are guaranteed by Gold Fields, Orogen, GF Holdings, GF Ghana, GFO and GFIJVH.

Additional Black Economic Empowerment Transactions

On 5 August 2010, Gold Fields announced a series of empowerment transactions to meet its 2014 Black Economic Empowerment equity ownership requirements. On 2 November 2010, the shareholders of Gold Fields approved these transactions at a general meeting of shareholders, which transactions included the establishment of an employee share ownership plan (ESOP), the issue of approximately 600,000 Gold Fields shares to a broad-based black economic empowerment consortium (BEECO) and BEECO's subscription for a 10 per cent. holding in South Deep with a phase in participation over 20 years. On 19 November 2010, Gold Fields issued 13,525,394 shares to the ESOP, housed and administered by the Gold Fields Thusano Share Trust, thereby commencing the implementation of the ESOP

transaction. The remaining empowerment transactions have been completed.

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Deposit Agreement

Gold Fields has an American Depositary Receipt facility. In connection with this facility, Gold Fields is party to a Deposit Agreement, dated as of 2 February 1998, as amended and restated as of 21 May 2002 among Gold Fields, The Bank of New York (The Bank of New York Mellon, or BNYM), as Depositary, and all owners and holders from time to time of American Depositary Receipts issued thereunder.

This summary is subject to and qualified in its entirety by reference to the Deposit Agreement, including the form of ADRs attached thereto. Terms used in this section and not otherwise defined will have the meanings set forth in the Deposit Agreement. Copies of the Deposit Agreement are available for inspection at the Corporate Trust Office of the Depositary, located at 240 Greenwich Street, New York, New York 10286. The Depositary's principal executive office is also located at 240 Greenwich Street, New York, New York 10286.

American Depositary Receipts

Each Gold Fields ADS represents ownership interests in one Gold Fields ordinary share and the rights attributable to one Gold Fields ordinary share that Gold Fields will deposit with one of the custodians, which currently are Standard Bank of South Africa, First National Bank of South Africa and Société Générale. Each Gold Fields ADR also represents securities, cash or other property deposited with BNYM but not distributed to holders of Gold Fields ADRs.

As BNYM will actually be the holder of the underlying ordinary shares, Gold Fields will not treat you as one of its shareholders. As a holder of ADSs, you will have ADR holder rights. A Deposit Agreement among Gold Fields, BNYM and you, as a Gold Fields ADR holder, sets out the ADR holders' rights and obligations of BNYM, as depositary. New York state law governs the Deposit Agreement and the ADRs evidencing the Gold Fields ADSs.

You may hold ADRs either directly or indirectly through your broker or financial institution. If you hold ADRs directly, you are an ADR holder. This description assumes you hold your ADRs directly. If you hold the ADRs indirectly, you must rely on the procedures of your broker or financial institution to assert the rights of ADR holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Share Dividends and Other Distributions

How will you receive dividends and other distributions on the ordinary shares?

BNYM will pay to you the cash dividends or other distributions it or the custodian receives on the ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your Gold Fields ADSs represent.

Cash

BNYM will convert any cash dividend or distribution Gold Fields pays on the ordinary shares, other than any dividend or distribution paid in U.S. dollars, into U.S. dollars. If that is not possible on a reasonable basis, or if any approval from any government is needed and cannot be obtained, the Deposit Agreement allows BNYM to distribute the foreign currency only to those ADS holders to whom it is possible to do so or to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, BNYM will deduct any withholding taxes that must be paid under applicable laws. It will distribute only whole U.S. dollars and U.S. cents and will round any fractional amounts to the nearest whole cent. If the exchange rates fluctuate during a time when BNYM cannot convert the foreign currency, you may lose some or all of the value of the distribution.

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Ordinary shares

BNYM will distribute new ADRs representing any ordinary shares Gold Fields distributes as a dividend or free distribution, if Gold Fields requests that BNYM make this distribution and if Gold Fields furnishes BNYM promptly with satisfactory evidence that it is legal to do so. BNYM will only distribute whole ADRs. It will sell ordinary shares, which would require it to issue a fractional ADS and distribute the net proceeds to the holders entitled to those ordinary shares. If BNYM does not distribute additional cash or ADSs, each ADS will also represent the new ordinary shares.

Right to purchase additional ordinary shares

If Gold Fields offers holders of securities any rights, including rights to subscribe for additional ordinary shares, BNYM may take actions necessary to make these rights available to you. Gold Fields must first instruct BNYM to do so and furnish it with satisfactory evidence that it is legal to do so. If Gold Fields does not furnish this evidence and/or give these instructions, and BNYM determines that it is practical to sell the rights, BNYM may sell the rights and allocate the net proceeds to holders' accounts. BNYM may allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If BNYM makes rights available to you, upon instruction from you it will exercise the rights and purchase the ordinary shares on your behalf. BNYM will then deposit the ordinary shares and deliver ADSs to you. It will only exercise rights if you pay BNYM the exercise price and any charges the rights require you to pay. U.S. securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights. In this case, BNYM may deliver the ADSs under a separate restricted deposit agreement, which will contain the same provisions as the Deposit Agreement, except for changes needed to put the restrictions in place. BNYM will not offer you rights unless those rights and the securities to which the rights relate are either exempt from registration or have been registered under the Securities Act with respect to a distribution to you.

Other distributions

BNYM will send to you anything else Gold Fields distributes on deposited securities by any means BNYM thinks is legal, fair and practical. If it cannot make the distribution in that way, BNYM may decide to sell what Gold Fields distributed—for example by public or private sale—and distribute the net proceeds, in the same way as it does with cash, or it may decide to hold what Gold Fields distributed, in which case the ADRs will also represent the newly distributed property.

BNYM is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holder. Gold Fields will have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to ADS holders. This means that you may not receive the distribution Gold Fields makes on its ordinary shares or any value for them if it is illegal or impractical for Gold Fields to make them available to you.

Deposit, Withdrawal and Cancellation

How does the Depositary issue ADSs?

BNYM will deliver the ADSs that you are entitled to receive in the offer against deposit of the underlying ordinary shares. BNYM will deliver additional ADSs if you or your broker deposit ordinary shares with the custodian. You must also deliver evidence satisfactory to BNYM of any necessary approvals of the governmental agency in South

Africa, if any, which is responsible for regulating currency exchange at that time. If required by BNYM, you must in addition deliver an agreement transferring your rights as a shareholder to receive dividends or other property. Upon payment of its fees and of any taxes or charges, BNYM will register the appropriate number of ADSs in the names you request and will deliver the ADRs at its Corporate Trust Office to the persons you request.

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How do ADS holders cancel an ADS and obtain ordinary shares?

You may submit a written request to withdraw ordinary shares and turn in your ADRs evidencing your ADSs at the Corporate Trust Office of BNYM. Upon payment of its fees and of any taxes or charges, such as stamp taxes or stock transfer taxes, BNYM will deliver the deposited securities underlying the ADSs to an account designated by you at the office of the custodian. At your request, risk and expense, BNYM may deliver at its Corporate Trust Office any dividends or distributions with respect to the deposited securities represented by the ADSs, or any proceeds from the sale of any dividends, distributions or rights, which may be held by BNYM.

Record Dates

Whenever any distribution of cash or rights, change in the number of ordinary shares represented by ADSs or notice of a meeting of holders of ordinary shares or ADSs is made, BNYM will fix a record date for the determination of the owners entitled to receive the benefits, rights or notice.

Voting of Deposited Securities

How do you vote?

If you are an ADS holder on a record date fixed by BNYM, you may exercise the voting rights of the same class of securities as the ordinary shares represented by your ADSs, but only if Gold Fields asks BNYM to ask for your instructions. Otherwise, you will not be able to exercise your right to vote unless you withdraw the ordinary shares.

However, you may not know about the meeting enough in advance to withdraw the ordinary shares. If Gold Fields asks for your instructions, BNYM will notify you of the upcoming meeting and arrange to deliver certain materials to you. The materials will (1) include all information included with the meeting notice sent by Gold Fields to BNYM, (2) explain how you may instruct BNYM to vote the ordinary shares or other deposited securities underlying your ADSs as you direct if you vote by mail or by proxy and (3) include a voting instruction card and any other information required under South African law that Gold Fields and BNYM will prepare. For instructions to be valid, BNYM must receive them on or before the date specified in the instructions. BNYM will try, to the extent practical, subject to applicable law and the provisions of the by-laws of Gold Fields, to vote or have its agents vote the underlying shares as you instruct. BNYM will only vote, or attempt to vote, as you instruct. However, if BNYM does not receive your voting instructions, it will give a proxy to vote your ordinary shares to a designated representative of Gold Fields, unless Gold Fields informs BNYM that either: (1) it does not want the proxy issued, (2) substantial opposition exists or (3) the matter materially and adversely affects the rights of holders of ordinary shares.

Gold Fields cannot assure that you will receive the voting materials in time to ensure that you can instruct BNYM to vote your ordinary shares. In addition, BNYM and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your ordinary shares are not voted as you requested.

Inspection of Transfer Books

BNYM will keep books for the registration and transfer of ADRs. These books will be open at all reasonable times for inspection by you, provided that you are inspecting the books for a purpose related to Gold Fields or the Deposit Agreement or the ADRs.

Reports and Other Communications

BNYM will make available for your inspection at its Corporate Trust Office any reports or communications, including any proxy material, received from Gold Fields, as long as these materials are received by BNYM as the

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holder of the deposited securities and generally available to Gold Fields shareholders. At Gold Fields written request, BNYM will also send copies of reports, notices and communications to you.

Fees and Expenses

BNYM, as Depositary, will charge any party depositing or withdrawing ordinary shares or any party surrendering ADRs or to whom ADRs are issued:

For:	Gold Fields ADS holders must pay:
each issuance of a Gold Fields ADS, including as a result of a distribution of ordinary shares or rights or other property or upon exercise of a warrant to purchase an ADS	U.S.\$5.00 or less per 100 Gold Fields ADSs or portion thereof
each distribution of securities distributed to holders of Gold Fields ordinary shares which are distributed by BNYM to Gold Fields ADR holders	any fees that would be payable if the securities had been ordinary shares and those ordinary shares had been deposited for the issuance of ADSs
each cancellation of a Gold Fields ADS, including if the Deposit Agreement terminates	U.S.\$5.00 or less per 100 Gold Fields ADSs or portion thereof
each cash distribution pursuant to the Deposit Agreement	not more than U.S.\$0.02 per ADS (or portion thereof)
annual depositary services	not more than U.S.\$0.02 per ADS (or portion thereof) paid annually, provided that this fee will not be charged if the U.S.\$0.02 fee for cash distributions described above was charged during the calendar year
transfer and registration of ordinary shares on the Gold Fields share register from your name to the name BNYM or its agent when you deposit or withdraw ordinary shares	registration or transfer fees
conversion of foreign currency to U.S. dollars	expenses of BNYM
cable, telex and facsimile transmission expenses, if expressly provided in the Deposit Agreement	expenses of BNYM
as necessary	certain taxes and governmental charges BNYM or the custodian has to pay on any Gold Fields ADS or ordinary share underlying a Gold Fields ADS

In fiscal 2018, BNYM paid U.S.\$0.50 million to Gold Fields as reimbursement for costs incurred over the year in connection with the ADR program.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the deposited securities underlying your ADRs. BNYM may deduct the amount of any taxes owed from any payments to you. It may also restrict or refuse the transfer of your Gold Fields ADSs or restrict or refuse the withdrawal of your underlying deposited securities until you pay any taxes owed on your Gold Fields ADSs or underlying securities. It may also sell deposited securities to pay any taxes owed. You will remain liable if the proceeds of the sale are not

enough to pay the taxes. If BNYM sells deposited securities, it will, if appropriate, reduce the number of Gold Fields ADSs held by you to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

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Reclassifications, Recapitalisations and Mergers

If Gold Fields:

changes the par value of any of the Gold Fields ordinary shares;

reclassifies, splits or consolidates any of the Gold Fields ordinary shares;

distributes securities on any of the Gold Fields ordinary shares that are not distributed to you; or

recapitalises, reorganises, merges, consolidates, sells its assets, or takes any similar action, then: the cash, ordinary shares or other securities received by BNYM will become new deposited securities under the Deposit Agreement, and each Gold Fields ADS will automatically represent the right to receive a proportional interest in the new deposited securities; and BNYM may and will, if Gold Fields asks it to, distribute some or all of the cash, ordinary shares or other securities it received. It may also issue new Gold Fields ADSs or ask you to surrender your outstanding Gold Fields ADSs in exchange for new Gold Fields ADSs identifying the new deposited securities.

Amendment and Termination of the Deposit Agreement

How may the Deposit Agreement be amended?

Gold Fields may agree with BNYM to amend the Deposit Agreement and the Gold Fields ADRs without your consent for any reason. If the amendment adds or increases fees or charges, except for taxes and governmental charges, or prejudices an important right of Gold Fields ADS holders, it will only become effective 30 days after BNYM notifies you of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the agreement as amended. However, no amendment will impair your right to receive the deposited securities in exchange for your Gold Fields ADSs.

How may the Deposit Agreement be terminated?

BNYM will terminate the Deposit Agreement if Gold Fields asks it to do so, in which case it must notify you at least 30 days before termination. BNYM may also terminate the agreement after notifying you if BNYM informs Gold Fields that it would like to resign and Gold Fields does not appoint a new depository bank within 90 days.

If any Gold Fields ADSs remain outstanding after termination, BNYM will stop registering the transfer of Gold Fields ADSs, will stop distributing dividends to Gold Fields ADS holders, and will not give any further notices or do anything else under the Deposit Agreement other than:

collect dividends and distributions on the deposited securities;

sell rights and other property offered to holders of deposited securities; and

deliver ordinary shares and other deposited securities upon cancellation of Gold Fields ADSs.

At any time after one year after termination of the Deposit Agreement, BNYM may sell any remaining deposited securities by public or private sale. After that, BNYM will hold the money it received on the sale, as well as any cash it is holding under the Deposit Agreement, for the pro rata benefit of the Gold Fields ADS holders that have not surrendered their Gold Fields ADSs. It will not invest the money and has no liability for interest. BNYM's only obligations will be to account for the money and cash. After termination, Gold Fields' only obligations will be with respect to indemnification of, and to pay specified amounts to, BNYM.

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Your Right to Receive the Ordinary Shares Underlying Your Gold Fields ADSs

You have the right to cancel your Gold Fields ADSs and withdraw the underlying ordinary shares at any time except:

due to temporary delays caused by BNYM or Gold Fields closing its transfer books, the transfer of ordinary shares being blocked in connection with voting at a shareholders meeting, or Gold Fields paying dividends;

when you or other ADR holders seeking to withdraw ordinary shares owe money to pay fees, taxes and similar charges; or

when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to Gold Fields ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any provision of the Deposit Agreement.

Limitations on Obligations and Liability to Gold Fields ADS Holders

The Deposit Agreement expressly limits the obligations of Gold Fields and BNYM. It also limits the liability of Gold Fields and BNYM. Gold Fields and BNYM:

are only obliged to take the actions specifically set forth in the Deposit Agreement without negligence or bad faith;

are not liable if either of them is prevented or delayed by law, any provision of the Gold Fields by-laws or circumstances beyond their control from performing their obligations under the agreement;

are not liable if either of them exercises, or fails to exercise, discretion permitted under the agreement;

have no obligation to become involved in a lawsuit or proceeding related to the ADSs or the Deposit Agreement on your behalf or on behalf of any other party unless they are indemnified to their satisfaction; and

may rely upon any advice of or information from any legal counsel, accountants, any person depositing ordinary shares, any Gold Fields ADS holder or any other person whom they believe in good faith is competent to give them that advice or information.

In the Deposit Agreement, Gold Fields and BNYM agree to indemnify each other under specified circumstances.

Requirements for Depositary Actions

Before BNYM will deliver or register the transfer of a Gold Fields ADS, make a distribution on a Gold Fields ADS, or permit withdrawal of ordinary shares, BNYM may require:

payment of taxes, including stock transfer taxes or other governmental charges, and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities, as well as the fees and expenses of BNYM;

production of satisfactory proof of the identity of the person presenting ordinary shares for deposit or Gold Fields ADSs upon withdrawal, and of the genuineness of any signature; and

compliance with regulations BNYM may establish consistent with the Deposit Agreement, including presentation of transfer documents.

BNYM may refuse to deliver, transfer, or register transfer of Gold Fields ADSs generally when the transfer books of BNYM are closed or at any time if BNYM or Gold Fields thinks it advisable to do so.

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Pre-Release of Gold Fields ADSs

In certain circumstances, subject to the provisions of the Deposit Agreement, BNYM may deliver Gold Fields ADSs before deposit of the underlying ordinary shares. This is called a pre-release of Gold Fields ADSs. BNYM may also deliver ordinary shares prior to the receipt and cancellation of pre-released Gold Fields ADSs (even if those Gold Fields ADSs are cancelled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying ordinary shares are delivered to BNYM. BNYM may receive Gold Fields ADSs instead of the ordinary shares to close out a pre-release. BNYM may pre-release Gold Fields ADSs only under the following conditions:

before or at the time of the pre-release, the person to whom the pre-release is being made must represent to BNYM in writing that it or its customer, as the case may be, owns the ordinary shares or Gold Fields ADSs to be deposited;

the pre-release must be fully collateralised with cash or collateral that BNYM considers appropriate; and

BNYM must be able to close out the pre-release on not more than five business days' notice. The pre-release will be subject to whatever indemnities and credit regulations BNYM considers appropriate. In addition, BNYM will limit the number of Gold Fields ADSs that may be outstanding at any time as a result of pre-release.

Governing Law

The Deposit Agreement is governed by the law of the State of New York.

South African Exchange Control Limitations Affecting Security Holders

The discussion below relates to exchange controls in force as of the date of this annual report. These controls are subject to change at any time without notice. It is not possible to predict whether existing exchange controls will be abolished, continued or amended by the South African government in the future. Investors are urged to consult a professional adviser as to the exchange control implications of their particular investments.

Acquisitions of shares or assets of South African companies by non-South African purchasers solely for a cash consideration equal to the fair value of the shares, will generally be permitted by the SARB pursuant to South African exchange control regulations. An acquisition of shares or assets of a South African company by a non-South African purchaser may be refused by the SARB in other circumstances, such as:

where the consideration for the acquisition is shares in a non-South African company; or

where the acquisition is financed by a loan from a South African lender.

Denial of SARB approval for an acquisition of shares or assets of a South African company may result in the transaction not being able to be completed. Subject to this limitation, there are no restrictions on equity investments in South African companies and a foreign investor may invest freely in the ordinary shares and ADSs of Gold Fields.

There are no exchange control restrictions on the remittance in full of dividends declared out of trading profits to non-residents of the CMA (comprising South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia) by Gold Fields.

Under South African exchange control regulations, the ordinary shares and ADSs of Gold Fields are freely transferable outside South Africa between persons who are not residents of the CMA. Additionally, where ordinary shares are sold on the JSE on behalf of shareholders of Gold Fields who are not residents of the CMA, the proceeds of such sales will be freely exchangeable into foreign currency and remitted to them.

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Any share certificates held by non-resident Gold Fields shareholders will be endorsed with the words non-resident . The same endorsement, however, will not be applicable to ADSs of Gold Fields held by non-resident shareholders.

Taxation

Certain South African Tax Considerations

The discussion in this section sets forth the material South African tax consequences of the purchase, ownership and disposition of Gold Fields ordinary shares or ADSs under current South African law. Changes in the law may alter the tax treatment of Gold Fields ordinary shares or ADSs, possibly on a retroactive basis.

The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Gold Fields ordinary shares or ADSs and does not cover tax consequences that depend upon your particular tax circumstances. In particular, the following summary addresses tax consequences for holders of ordinary shares or ADSs who are not residents of, or who do not carry on business in, South Africa and who hold ordinary shares or ADSs as capital assets (that is, for investment purposes). For the purposes of the income tax treaty between South Africa and the United States (the Treaty) and South African tax law, a United States resident that owns Gold Fields ADSs will be treated as the owner of the Gold Fields ordinary shares represented by such ADSs. Gold Fields recommends that you consult your own tax adviser about the consequences of holding Gold Fields ordinary shares or ADSs, as applicable, in your particular situation.

Tax on Dividends

It should be noted that a 20 per cent. dividend tax is levied on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders, which was increased from 15 per cent. with effect from 22 February 2017.

Generally, under the Treaty, the dividend tax is reduced to:

5 per cent. of the gross amount of the dividends if the beneficial owner of the shares is a company holding directly at least 10 per cent. of the voting stock of the South African resident company paying the dividends;
and

15 per cent. of the gross amount of the dividends in all other cases
provided that the non-resident shareholder or non-resident ADS holder provides the South African resident company with certain tax confirmations that it qualifies for the reduced rate of dividends tax.

The above reduced dividends tax rate provisions shall not apply if the beneficial owner of the dividends carry on business in South Africa through a permanent establishment situated in South Africa or performs in South Africa independent personal services from a fixed base situated in South Africa, and the dividends are attributable to such permanent establishment or fixed base. In such case, the provisions of Article 7 (Business Profits) or Article 14 (Independent Personal Services) of the Treaty, as the case may be, shall apply.

Income Tax

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Non-residents will pay income tax on any amounts received by or accrued to them from a source within (or deemed to be within) South Africa.

Interest earned by a non-resident on a debt instrument issued by a South African company will be regarded as being derived from a South African source but will be regarded as exempt from taxation in terms of

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Section 10(1)(h) of the South African Income Tax Act, 1962 (as amended) (ITA) unless that non-resident is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the 12-month period preceding the date on which the interest is received or accrued, or where the interest arises from debt which is effectively connected to a permanent establishment of that person in South Africa. However, under the Treaty, the non-resident investor is exempt from tax in South Africa in respect of interest.

Under South African domestic tax law, South African resident companies must withhold interest withholding tax at the rate of 15 per cent. from interest payments to non-resident investors. Under the Treaty, the interest is exempt from the South African interest withholding tax. In order to qualify for the exemption from interest withholding tax, the non-resident investor must provide the South African resident company with certain tax confirmations that it qualifies for the exemption from interest withholding tax.

Capital Gains Tax

Non-resident holders of ordinary shares or ADSs will not be subject to capital gains tax in South Africa, with respect to the disposal of those ordinary shares or ADSs, on the basis that 80 per cent. or more of the market value of the Shares do not relate to immovable property held in South Africa, unless the non-resident carried on business through a permanent establishment in South Africa, and the profits are realised in the ordinary course of the business carried on by the permanent establishment in South Africa.

Securities Transfer Tax

No Securities Transfer Tax (STT) is payable in South Africa with respect to the issue of a security.

STT is charged at a rate of 0.25 per cent. on the taxable amount of the transfer of every security issued by a company or a close corporation incorporated in South Africa, or a company incorporated outside South Africa but listed on an exchange in South Africa, subject to certain exemptions.

The word *transfer* is broadly defined and includes the transfer, sale, assignment or cession or disposal in any other manner of a security. The cancellation or redemption of a security is also regarded as a transfer unless the company is being liquidated. However, the issue of a security that does not result in a change in beneficial ownership is not regarded as a transfer.

STT is levied on the taxable amount of a security. The taxable amount of a listed security is the greater of:

the consideration for the security declared by the transferee; or

the closing price of that security.

The taxable amount of an unlisted security is the greater of:

the consideration given for the acquisition of the security; or

the market value of the unlisted security.

In the case of a transfer of a listed security, either the member or the participant or the person to whom the security is transferred is liable for the tax. The tax must be paid within a period of 14 days from the transfer. The liability for tax with respect to the transfer of listed securities lies with the party facilitating the transfer or the recipient of the security.

The liability for STT with respect to the transfer of unlisted securities is that of the company that issued the unlisted security. The STT must be paid by the company issuing the unlisted security within two months from the date of the transfer of such security.

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U.S. Federal Income Tax Considerations

The following discussion summarises the material U.S. federal income tax consequences of the ownership and disposition of ordinary shares and ADSs by a U.S. Holder. As used herein, the term "U.S. Holder" means a beneficial owner of ordinary shares or ADSs that is for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation created or organised under the laws of the United States, any state within the United States or the District of Columbia;

an estate the income of which is subject to U.S. federal income tax without regard to its source; or

a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

This summary only applies to U.S. Holders that hold ordinary shares or ADSs as capital assets. This summary is based upon:

the current federal income tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the Code), its legislative history, and existing and proposed regulations thereunder;

current U.S. Internal Revenue Service (IRS) practice and applicable U.S. court decisions; and

the income tax treaty between the United States and South Africa
all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

This summary assumes that the obligations of the Depositary under the Deposit Agreement and any related agreements will be performed in accordance with their terms.

This summary is of a general nature and does not address all U.S. federal income tax consequences that may be relevant to you in light of your particular situation (including consequences under the alternative minimum tax or the net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate and gift tax laws). For example, this summary does not apply to:

investors that own (directly, indirectly or by attribution) 5 per cent. or more of Gold Fields' stock by vote or value;

financial institutions;

insurance companies;

individual retirement accounts and other tax-deferred accounts;

tax-exempt organisations;

dealers in securities or currencies;

investors that hold ordinary shares or ADSs as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes;

investors whose functional currency is not the U.S. dollar;

persons that have ceased to be U.S. citizens or lawful permanent residents of the United States;

investors holding the ordinary shares or ADSs in connection with a trade or business conducted outside the United States; and

U.S. citizens or lawful permanent residents living abroad.

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The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds ordinary shares or ADSs will depend upon the status of the partner and the activities of the partnership. If you are an entity or arrangement treated as a partnership for U.S. federal income tax purposes, you should consult your tax adviser concerning the U.S. federal income tax consequences to you and your partners of the acquisition, ownership and disposition of ordinary shares or ADSs by you.

Gold Fields does not believe that it was a PFIC within the meaning of Section 1297 of the Code for its 2018 taxable year and does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, Gold Fields possible status as a PFIC must be determined annually and therefore may be subject to change. If Gold Fields were to be treated as a PFIC, U.S. Holders of ordinary shares or ADSs would be required (i) to pay a special U.S. addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of ordinary shares or ADSs at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by Gold Fields would not be eligible for the special reduced rate of tax for non-corporate U.S. Holders described below under *Taxation of Dividends*. The remainder of this discussion assumes that Gold Fields is not a PFIC for U.S. federal income tax purposes. You should consult your own tax advisers regarding the potential application of the PFIC regime.

The summary of U.S. federal income tax consequences set out below is for general information only. You are urged to consult your tax advisers as to the particular tax consequences to you of acquiring, owning and disposing of the ordinary shares or ADSs, including your eligibility for the benefits of the income tax treaty between the United States and South Africa, the applicability and effect of state, local, non-U.S. and other tax laws and possible changes in tax law.

U.S. Holders of ADSs

For U.S. federal income tax purposes, a U.S. Holder of ADSs generally will be treated as the owner of the corresponding number of underlying ordinary shares held by the Depository for the ADSs, and references to ordinary shares in the following discussion refer also to ADSs representing the ordinary shares.

Deposits and withdrawals of ordinary shares by U.S. Holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. Your tax basis in withdrawn ordinary shares will be the same as your tax basis in the ADSs surrendered, and your holding period for the ordinary shares will include the holding period of the ADSs.

However, the U.S. Treasury has expressed concern that U.S. holders of depositary receipts (such as U.S. Holders of Gold Fields ADSs) may be claiming foreign tax credits in situations where an intermediary in the chain of ownership between such holders and the issuer of the security underlying the depositary receipts, or a party to whom depositary receipts or deposited shares are delivered by the depository prior to the receipt by the depository of the corresponding securities, has taken actions inconsistent with the ownership of the underlying security by the person claiming the credit, such as a disposition of such security. Such actions may also be inconsistent with the claiming of the reduced tax rates that may be applicable to certain dividends received by certain non-corporate holders, as described below. Accordingly, (i) the ability to offset any South African taxes and (ii) the availability of the reduced tax rates for any dividends received by certain non-corporate U.S. Holders, each as described below, could be affected by actions taken by such parties or intermediaries.

Taxation of Dividends

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Distributions paid out of Gold Fields' current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any South African withholding tax paid by Gold Fields with respect thereto, will generally be taxable to you as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions that exceed Gold Fields' current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of your basis in

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the ordinary shares and thereafter as capital gain. However, Gold Fields does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. You should therefore assume that any distribution by Gold Fields with respect to the ordinary shares will be reported as ordinary dividend income. You should consult your own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from Gold Fields. For purposes of determining limitations on any foreign tax credits, dividends paid by Gold Fields will generally constitute passive income .

Dividends paid by Gold Fields generally will be taxable to non-corporate U.S. Holders at the reduced rate normally applicable to long-term capital gains, provided that either (i) Gold Fields qualifies for the benefits of the income tax treaty between the United States and South Africa, or (ii) the ADSs are considered to be readily tradable on the NYSE, in each case, and certain other requirements are met.

For U.S. federal income tax purposes, the amount of any dividend paid in Rand will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the dividends are received by you (in the case of ordinary shares) or the Depositary (in the case of ADSs) regardless of whether they are converted into U.S. dollars at that time. If you or the Depositary, as the case may be, convert dividends received in Rand into U.S. dollars on the day they are received, you generally will not be required to recognise foreign currency gain or loss in respect of this dividend income.

Effect of South African Withholding Taxes

As discussed in *Certain South African Tax Considerations Tax on Dividends* , under current law, South Africa imposes a withholding tax of 20 per cent. on dividends paid by Gold Fields. A U.S. Holder will generally be entitled, subject to certain limitations, to a foreign tax credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for South African income taxes withheld by Gold Fields.

U.S. Holders that receive payments subject to this withholding tax will be treated, for U.S. federal income tax purposes, as having received the amount of South African taxes withheld by Gold Fields, and as then having paid over the withheld taxes to the South African taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from Gold Fields with respect to the payment.

The rules governing foreign tax credits are complex. You should consult your tax adviser concerning the foreign tax credit implications of the payment of South African withholding taxes.

Taxation of a Sale or Other Disposition

Upon a sale or other disposition of ordinary shares or ADSs, other than an exchange of ADSs for ordinary shares and vice versa, you will generally recognise capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount realised and your adjusted tax basis in the ordinary shares or ADSs, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if your holding period in the ordinary shares or ADSs exceeds one year. However, regardless of your actual holding period, any loss may be treated as long-term capital loss to the extent you receive a dividend that qualifies for the reduced rate described above under *Taxation of Dividends* and also exceeds 10 per cent. of your basis in the ordinary shares. Any gain or loss will generally be U.S. source. You should consult your tax adviser about how to account for proceeds received on the sale or other disposition of ordinary shares that are not paid in U.S. dollars.

To the extent you incur Securities Transfer Tax in connection with a transfer or withdrawal of ordinary shares as described under *Certain South African Tax Considerations Securities Transfer Tax* above, such securities transfer tax will not be a creditable tax for U.S. foreign tax credit purposes.

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Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to ordinary shares or ADSs by U.S. persons will be reported to you and to the IRS as may be required under applicable regulations. Backup withholding may apply to these payments if you fail to provide an accurate taxpayer identification number or certification of exempt status or fail to report all interest and dividends required to be shown on your U.S. federal income tax returns. Some holders are not subject to backup withholding. You should consult your tax adviser about these rules and any other reporting obligations that may apply to the ownership and disposition of the ordinary shares, including requirements relating to the holding of certain specified foreign financial assets .

Documents on Display

Gold Fields files annual and special reports and other information with the SEC. You may read and copy any reports or other information on file at the SEC s public reference room at the following location:

100 F Street, N.E.

Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC filings are also available to the public from commercial document retrieval services. Gold Fields SEC filings may also be obtained electronically via the EDGAR system on the website maintained by the SEC at <http://www.sec.gov>. Gold Fields website is <http://www.goldfields.com>.

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CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

Gold Fields has carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of Gold Fields, of the effectiveness of the design and operation of Gold Fields' disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this annual report. Based upon that evaluation, Gold Fields' Chief Executive Officer and Chief Financial Officer concluded that, as of 31 December 2018, Gold Fields' disclosure controls and procedures were effective.

(b) Management's Report on Internal Control over Financial Reporting

Gold Fields' management is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities Exchange Act of 1934 defines internal control over financial reporting in Rule 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, the company's principal executive and principal financial officers, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Gold Fields' management assessed the effectiveness of its internal control over financial reporting as of 31 December 2018. In making this assessment, Gold Fields' management used the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, Gold Fields' management concluded that, as of 31 December 2018, its internal control over financial reporting is effective based upon those criteria.

KPMG Inc. (KPMG), an independent registered public accounting firm that audited the consolidated financial statements included in this annual report on Form 20-F, has issued an attestation report on management's assessment of Gold Fields' internal control over financial reporting as of 31 December 2018.

(c) Attestation Report of the Registered Public Accounting Firm:

See *Annual Financial Report Report of Independent Registered Public Accounting Firm* .

(d) Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during fiscal 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that Gold Fields' Audit Committee does not have an audit committee financial expert, as defined in the rules promulgated by the Securities and Exchange Commission. Although a person with such qualifications does not serve on the Audit Committee, the Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Gold Fields' management and auditors, the quality of Gold Fields' disclosure controls, the preparation and evaluation of Gold Fields' financial statements and Gold Fields' financial reporting. Gold Fields' Board of Directors also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities. For biographical information on each member of the Audit Committee, see *Annual Financial Report Corporate Governance Report Directors* and *Directors, Senior Management and Employees Directors*.

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CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

On 23 July 2018, Pricewaterhouse Coopers, Inc. (PwC) was appointed by the Gold Fields Board of Directors as the Group's independent registered public accounting firm for the fiscal year ending 31 December 2019 (subject to shareholder approval) after a formal tender process to appoint a new firm of public accountants. KPMG, Inc. (KPMG) will not stand for re-election and their appointment as independent registered public accounting firm will end at the annual general meeting for the year ended 31 December 2018, on 21 May 2019.

During the Group's fiscal years ended 31 December 2018, 2017 and 2016 there were: (i) no disagreements between the Company and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference to the subject matter of the disagreements in its audit reports as defined in Item 16F(a)(1)(iv) of Form 20-F (and the related instructions thereto); and (ii) no reportable events as defined in Item 16F(a)(1)(v) of Form 20-F.

The audit reports of KPMG on the consolidated financial statements of Gold Fields Limited and its subsidiaries as of and for the fiscal years ended 31 December 2018, 2017 and 2016 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles. The audit report of KPMG on the effectiveness of internal control over financial reporting as of 31 December 2018 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

The Company has requested KPMG to provide it with a letter addressed to the Securities and Exchange Commission stating whether KPMG agrees with the statements contained above. A copy of the letter from KPMG, dated 29 March 2019, to the Securities and Exchange Commission is filed as exhibit 15.1 hereto.

During the two fiscal years ended 31 December 2017 and 2016, and through 23 July 2018, neither the Company nor anyone acting on its behalf consulted with PwC concerning (i) the application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on the consolidated financial statements and no written or oral advice was provided by PwC that PwC concluded was an important factor considered by us in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement (as that term is used in Item 16F(a)(1)(iv) of Form 20-F and the related instructions to Item 16F) or a reportable event (as defined in Item 16F(a)(1)(v) of Form 20-F).

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KPMG served as Gold Fields' principal accountant. Set forth below are the fees for audit and other services rendered by KPMG for fiscal 2018, 2017 and 2016.

	Year ended 31 December		
	2018	2017	2016
	<i>(U.S.\$ million)</i>		
Audit fees	2.7	2.7	2.4
Audit-related fees	0.6	0.1	0.3
Tax fees		(1)	0.1
All other fees			
Total	3.3	2.8	2.8

Note:

(1) Nominal amount due to rounding to U.S.\$ million.

Audit fees include fees for audit services rendered for Gold Fields' annual consolidated financial statements filed with regulatory organisations.

Audit-related fees include fees for related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements.

Tax fees include fees for tax compliance, tax advice, tax planning and other tax-related services.

All other fees consist of fees for all other services not included in any of the other categories noted above. All of the above fees were pre-approved by the Audit Committee.

Audit Committee's Policies and Procedures

In accordance with the Securities and Exchange Commission rules regarding auditor independence, the Audit Committee has established Policies and Procedures for Audit and Non-Audit Services Provided by an Independent Auditor. The rules apply to Gold Fields and its consolidated subsidiaries engaging any accounting firms for audit services and the auditor who audits the accounts filed with the Securities and Exchange Commission, or the external auditor, for permissible non-audit services.

When engaging the external auditor for permissible non-audit services (audit-related services, tax services, and all other services), pre-approval is obtained prior to the commencement of the services.

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CORPORATE GOVERNANCE

Gold Fields' home country corporate governance practices are regulated by the Listing Requirements of the JSE (the JSE Listing Requirements). The following is a summary of the significant ways in which Gold Fields' home country corporate governance standards and its corporate governance practices differ from those followed by domestic companies under the NYSE Listing Standards.

The NYSE Listing Standards require that the non-management directors of U.S. listed companies meet at regularly scheduled non-executive sessions without management. The JSE Listing Requirements do not require such meetings of listed company non-executive directors. Gold Fields' non-management directors do however meet regularly without management.

The NYSE Listing Standards require U.S. listed companies to have a nominating/corporate governance committee composed entirely of independent directors. The JSE Listing Requirements also require the appointment of such a committee, and stipulate that all members of this committee must be non-executive directors, the majority of whom must be independent. Gold Fields has a Nominating and Governance Committee which currently comprises four non-executive directors, all of whom are independent under the NYSE Listing Standards and the JSE Listing Requirements which is chaired by the Chairman of Gold Fields, as required by the JSE Listing Requirements.

The NYSE Listing Standards require U.S. listed companies to have a compensation committee composed entirely of independent directors. The JSE Listing Requirements merely require the appointment of such a committee. Gold Fields has appointed a Remuneration Committee, currently comprising five board members, all of whom are independent under both the JSE Listing Requirements and the NYSE Listing Standards.

The NYSE Listings Standards require U.S. listed companies to have an audit committee composed entirely of independent directors. The South African Companies Act requires that the audit committee be approved by shareholders on an annual basis at a company's annual general meeting. The JSE Listings Requirements also require an audit committee composed entirely of independent directors. Gold Fields has appointed an Audit Committee, currently comprised of four board members, all of whom are non-executive and independent, as defined under both the JSE Listings Requirements and the NYSE Listing Requirements.

Table of Contents**EXHIBITS**

The following instruments and documents are included as Exhibits to this annual report.

No.	Exhibit
1.1	Memorandum of Association of Gold Fields (incorporated by reference to Exhibit 1.1 to the registration statement on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 6 May 2002)(P)
1.2	Articles of Association of Gold Fields (incorporated by reference to Exhibit 1.2 to the registration statement on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 6 May 2002)(P)
1.3	<u>Amended Articles of Association of Gold Fields (incorporated by reference to Exhibit 1.3 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 7 December 2007)</u>
1.4	<u>Amended Memorandum of Incorporation of Gold Fields (incorporated by reference to Exhibit 1.4 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 4 April 2018)</u>
2.1	Memorandum of Incorporation of Gold Fields (included in Exhibits 1.1 and 1.2)(P)
2.2	Deposit Agreement among Gold Fields, Gold Fields Limited (f/k/a/Driefontein Consolidated Limited), The Bank of New York, as depository, and the owners and beneficial owners from time to time of American Depositary Receipts, dated as of 2 February 1998, as amended and restated as of 21 May 2002 (incorporated by reference to Exhibit 2.3 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 24 October 2002)(P)
2.3	Form of American Depositary Receipt (included in Exhibit 2.2)(P)
2.5	<u>Trust Deed among Orogen, as issuer; Gold Fields Limited, GFIMSA, GFO, and GFH, as guarantors; and Citicorp Trustee Company Limited, as trustee, dated 7 October 2010 in relation to the U.S.\$1 billion Note Issue (incorporated by reference to Exhibit 2.8 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)</u>
2.6	<u>Supplemental Trust Deed among Orogen, as issuer; Gold Fields, GFO, and GFH, as guarantors; Sibanye Gold Limited and Citicorp Trustee Company Limited, as trustee, dated 24 April 2015 in relation to the U.S.\$1 billion Note Issue (incorporated by reference to Exhibit 2.6 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 13 April 2016)</u>
4.1	<u>The Gold Fields Limited 2005 Non-Executive Share Plan, adopted 17 November 2005 (incorporated by reference to Exhibit 4.24 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 22 December 2005)</u>
4.2	<u>The Gold Fields Limited 2005 Share Plan, adopted 17 November 2005 (incorporated by reference to Exhibit 4.25 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 22 December 2005)</u>

- 4.3 The Gold Fields Limited 2012 Share Plan, dated 14 May 2012 (incorporated by reference to Exhibit 4.6 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 14 May 2013)
- 4.4 Agreement between Nicholas J. Holland and Gold Fields Group Services (Pty) Ltd, dated 6 March 2009 and effective 1 March 2009 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 3 December 2009)

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No.	Exhibit
4.5	<u>Agreement between Nicholas J. Holland and Gold Fields Ghana Holdings (BVI) Limited, dated 9 March 2009 and effective 1 March 2009 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 3 December 2009)</u>
4.6	<u>Agreement between Nicholas J. Holland and Gold Fields Orogen Holding Company (BVI), dated 6 March 2009 and effective 1 March 2009 (incorporated by reference to Exhibit 4.31 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 3 December 2009)</u>
4.7	<u>Agreement between Nicholas J. Holland and Gold Fields Group Services (Pty) Ltd, dated 9 April 2010 and effective 1 April 2010 (incorporated by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)</u>
4.8	<u>Agreement between Nicholas J. Holland and Gold Fields Ghana Holdings (BVI) Limited, dated 9 April 2010 and effective 1 April 2010 (incorporated by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)</u>
4.9	<u>Agreement between Nicholas J. Holland and Gold Fields Orogen Holding Company (BVI), dated 9 April 2010 and effective 1 April 2010 (incorporated by reference to Exhibit 4.31 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)</u>
4.10	<u>U.S.\$200 million Revolving Senior Secured Credit Facility Agreement between The Bank of Nova Scotia, Scotiabank Peru S.A.A., Scotiabank Europe Plc and La Cima, dated 16 December 2014 (incorporated by reference to Exhibit 4.10 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 14 April 2015)</u>
4.11	<u>Revolving Credit Facility Agreement among Nedbank Limited, GFI Joint Venture Holdings (Proprietary) Limited, GFO and the Original Guarantors (listed in Schedule 1), dated 1 March 2013 (incorporated by reference to Exhibit 4.28 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 14 May 2013)</u>
4.12	<u>Agreement between Paul A. Schmidt and Gold Fields Group Services (Pty) Ltd, dated 24 November 2009 and effective 6 November 2009 (incorporated by reference to Exhibit 4.33 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on 3 December 2009)</u>
4.13	<u>Agreement between Paul A. Schmidt and Gold Fields Ghana Holdings (BVI) Limited, dated 24 November 2009 and effective 6 November 2009 (incorporated by reference to Exhibit 4.34 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on 3 December 2009)</u>
4.14	<u>Agreement between Paul A. Schmidt and Gold Fields Orogen Holding Company (BVI), dated 24 November 2009 and effective 6 November 2009 (incorporated by reference to Exhibit 4.35 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on 3 December 2009)</u>
4.15	<u>First Addendum to the Employment Contract made and entered into between Gold Fields Group Services (Pty) Ltd and Paul A. Schmidt, dated 1 April 2010 (incorporated by reference to Exhibit 4.40</u>

to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)

- 4.16 First Addendum to the Employment Contract made and entered into between Gold Fields Ghana Holdings (BVI) Limited and Paul A. Schmidt, dated 1 April 2010 (incorporated by reference to Exhibit 4.41 to the annual report on Form 20-F (File No. 1 -31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)

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No.	Exhibit
4.17	<u>First Addendum to the Employment Contract made and entered into between Gold Fields Orogen Holding Company (BVI) and Paul A. Schmidt, dated 1 April 2010 (incorporated by reference to Exhibit 4.42 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities and Exchange Commission on 2 December 2010)</u>
4.18	<u>U.S.\$1,290,000,000 Credit Facilities Agreement between The Bank of Tokyo-Mitsubishi UFJ, Ltd., GFI Joint Venture Holdings Proprietary Limited, Gold Fields Operations Limited, Gold Fields Orogen Holding (BVI) Limited, Gold Fields Ghana Holdings (BVI) Limited and the Original Guarantors (listed in Schedule 1), dated 6 June 2016 (incorporated by reference to Exhibit 4.18 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 5 April 2017)</u>
4.19	<u>The Sale Agreement Gruyere Gold Project between Gold Road Resources Limited, Gruyere Mining Company Pty Ltd and Gold Fields Australia Pty Ltd dated 6 November 2016 (incorporated by reference to Exhibit 4.19 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 5 April 2017)</u>
4.20	<u>Gruyere Gold Project Joint Venture Agreement between Gruyere Mining Company Pty Ltd, Gold Road Resources Limited and others dated 6 December 2016 (incorporated by reference to Exhibit 4.20 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 5 April 2017)</u>
4.21	<u>Rand 500,000,000 Revolving Credit Facility Agreement between ABSA Bank Limited, GFI Joint Venture Holdings Proprietary Limited, Gold Fields Operations Limited and the Original Guarantors (listed in Schedule 1), dated 27 March 2017 (incorporated by reference to Exhibit 4.21 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 5 April 2017)</u>
4.22	<u>Rand 500,000,000 Revolving Credit Facility Agreement between The Standard Bank of South Africa Limited, GFI Joint Venture Holdings Proprietary Limited, Gold Fields Operations Limited and the Original Guarantors (listed in Schedule 1), dated 27 March 2017 (incorporated by reference to Exhibit 4.22 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 5 April 2017)</u>
4.23	<u>Gruyere Syndicated Facility between Gold Fields Limited, Gruyere Holdings Pty Ltd, certain wholly owned subsidiaries of Gold Fields, the Financial Institutions listed in Part II of Schedule 1, the Financial Institutions listed in Part III of Schedule 1 and the Commonwealth Bank of Australia, dated 24 May 2017 (incorporated by reference to Exhibit 4.23 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 4 April 2018)</u>
4.24	<u>Gruyere Bank Guarantee Facility between Gold Fields Limited, Gruyere Holdings Pty Ltd, certain wholly owned subsidiaries of Gold Fields and Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, Westpac Banking Corporation, dated 24 May 2017 (incorporated by reference to Exhibit 4.24 to the annual report on Form 20-F (File No. 1-31318), filed by Gold Fields with the Securities Exchange Commission on 4 April 2018)</u>
8.1	<u>Amended list of subsidiaries of the registrant</u>
12.1	<u>Certification of Chief Executive Officer</u>
12.2	<u>Certification of Chief Financial Officer</u>

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13.1	<u>Certification of Chief Executive Officer</u>
13.2	<u>Certification of Chief Financial Officer</u>
15.1	<u>Letter from KPMG, Inc. to the Securities Exchange Commission regarding a change in certifying accountant.</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document

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No.	Exhibit
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this annual report on its behalf.

GOLD FIELDS LIMITED

/s/ Nicholas J. Holland
Name: Nicholas J. Holland
Title: Chief Executive Officer
Date: 29 March 2019