

Any cash dividends paid by us are paid in rands. Holders of ADSs on the relevant record date will be entitled to receive only the shares underlying the ADSs, subject to the terms of the deposit agreement entered on August 12, 1996, and as amended and restated, between the Company and The Bank of New York, as the depository. Subject to exceptions provided in the deposit agreement, cash dividends paid in rand will be converted by the depository to dollars and paid by the depository to holders of ADSs, net of conversion expenses of the depository, in accordance with the deposit agreement. The depository will charge holders of ADSs, to the extent applicable, taxes and other governmental charges and specified fees and other expenses. There are no limitations imposed by South African law or by our MOI on the right of non-South African holders of our ordinary shares to vote on shareholder matters.

10E. TAXATION

Material South African Income Tax Consequences

The following is a summary of material income tax considerations under South African income tax with respect to the consequences to any particular purchaser of our securities is made hereby. Prospective purchasers are urged to consult their tax advisers with respect to their particular circumstances and the effect of South African or other tax laws to which they may be subject. South Africa imposes tax on worldwide income of South African residents. Generally, South African pay taxes on dividends received in the following circumstances:

Income Tax and Taxation of dividends

Non-residents will pay income tax on any amounts received by or accrued to them from a source within South Africa in respect of 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 Section 10(1)(i) of the South African Income Tax Act, 1962 (as amended), or the Income Tax Act. This exemption applies to so much of any interest and dividends (which are not otherwise exempt) received from a South African source not exceeding (a) R32,000 if the company is a resident of South Africa and (b) R22,300 if the taxpayer is younger than 65 years of age at the end of the relevant year. All existing gold mining companies had the option to elect to be exempt from STC. If the higher tax rate would apply for both mining and non-mining income. In fiscal 2011, the tax rates for taxable mining and non-mining income, for companies that elected the STC exemption were 43% (2010: 43% and 2009: 43%) and 35% (2010: 35% and 2009: 35%), respectively. During those same years the tax rates for companies that did not elect the STC exemption were 34% (2010: 34% and 2009: 34%) and 28% (2010: 28% and 2009: 28%), respectively. In 1993, the Company elected not to be exempt from STC, as this would have meant that the Company would have been liable for normal taxation at the higher rates of 43% for mining income and 35% for non-mining income. The Company, having chosen not to be subject to the STC exemption, is liable for normal income tax dividends received by or accrued to residents of South Africa. Subsequent to 1993, there are no provisions for STC and 28% for non-mining income. With the exception of Crown, all of the South African companies received by or accrued to non-resident shareholders of companies listed in South Africa and non-resident shareholders will be exempt from STC. All shareholders of the Company will receive the same dividend as South African resident shareholders. Prior to payment of the dividend, the Company pays Secondary Tax on Companies (STC) at a rate of 10% (before October 1, 2007 12.5%) of the excess of dividends declared over dividends in accordance with new amendments to the Income Tax Act, effective April 1, 2012, which received the same treatment as dividends received by or accrued to non-resident shareholders. The amendments to the Income Tax Act, effective date as opposed to the relevant company having to pay STC over-and-above the dividend declared. These amendments are set out in Part VIII in Chapter II of the Income Tax Act. Section 64F of the amendments will set out beneficial owners who are exempt from the withholding tax, which includes resident companies receiving a dividend after the effective date being April 1, 2012. After these amendments come into operation, the Convention between the United States of America and the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, or the Tax Treaty, would limit the rate of this tax with respect to dividends paid on ordinary shares or ADSs to a US resident (within the meaning of the Tax Treaty) to 5 percent of the gross amount of the dividends if such US resident is a company which holds directly at least 10 percent of our voting stock and 15 percent of the gross amount of the dividends in all other cases.

The above provisions shall not apply if the beneficial owner of the dividends is resident in the South Africa, or carries on business in an 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.

Capital Gains Tax

Non-residents are generally not subject to Capital Gains Tax, or CGT, in South Africa. They will gains arising from the disposal of capital assets if the assets disposed of consist of:

- immovable property owned by the non-residents situated in South Africa, or any interest or right in or to immovable property. A non-resident will have an interest in immovable property if it has a direct or indirect shareholding of at least 20% in a company, where 80% or more of the net assets of that company (determined on a market value basis) are attributable directly or indirectly to immovable property.
- If the non-resident is not subject to CGT because the assets disposed of do not fall within the it follows that the non-resident will not be subject to CGT on the disposal of the assets.

Material United States Federal Income Tax Consequences

The following is a summary of material US federal income tax consequences to US holders (as purchasers of ordinary shares or ADSs) and the disposition of ordinary shares or ADSs. It deals only with US holders who hold ordinary shares or ADSs as capital assets for US federal income tax purposes. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, published rulings, judicial decisions and the Treasury regulations, all as currently in effect and all of which are subject to change, possibly on a retroactive basis. This discussion has no binding effect or official status and is not intended to address all aspects of US federal income taxation that may be applicable to US holders of ordinary shares or ADSs. It is not intended to address the tax consequences of the exercise of a "hedge," "conversion transaction," "synthetic security," "straddle," "constructive sale" or other integrated investment, persons who acquired the ordinary shares or ADSs upon the exercise of employee stock options or otherwise as compensation, persons whose functional currency is not the US dollar or persons who are not US residents for US federal income tax purposes (including stock). This discussion addresses only the US federal income tax consequences and does not address the effect of any state, local or foreign tax laws that may apply to the alternative minimum tax or the application of the federal estate or gift tax.

- political subdivision thereof;
- an estate, the income of which is subject to US federal income tax without regard to its source; or
- a trust, if a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust or if the partnership has a substantial part of its assets in the US and the partnership is treated as a partnership. Partners of partnerships holding any ordinary shares or ADSs are urged to consult with their tax advisors.

Because individual circumstances may differ, US holders of ordinary shares or ADSs are urged to consult with their tax advisors to determine the US federal income tax consequences applicable to their particular situations as well as any consequences to them arising under the tax laws of any foreign, state or local taxing jurisdiction.

Ownership of Ordinary Shares or ADSs

For purposes of the Code, a US holder of ADSs will be treated for US federal income tax purposes as the owner of the ordinary shares represented by those ADSs. Exchanges of ordinary shares for ADSs and ADSs for ordinary shares generally will not be subject to US federal income tax.

Subject to the discussion below under the heading "Passive Foreign Investment Company", ordinary shareholders with respect to the distributions in liquidation and distributions in redemption of stock that are treated as exchanges, will be taxed to US holders as ordinary dividend income to the extent that the distributions do not exceed our current and accumulated earnings and profits. For US federal income tax purposes, the amount of any distribution received by a US holder will equal the dollar value of the sum of the South African rand payments made (including the amount of South African income taxes, if any, withheld with respect to such payments), determined at the "spot rate" on the date the dividend distribution is includable in such US holder's income, regardless of whether the payment is in fact converted into dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a US holder includes the dividend payment in income to the date such holder converts the payment into dollars will be treated as ordinary income or loss. Distributions, if any, in excess of our current and accumulated dividend income received by individual US holders (as well as certain trusts and estates) for the calendar year ending 2012 generally will be taxed at a maximum US federal income tax rate of 20% if the US holder is a US citizen or resident, or 30% if the US holder is a foreign person. To the extent that these distributions exceed the US holder's tax basis in the ordinary shares or ADSs, the excess will be treated as capital gain, subject to the discussion below under the heading "Passive Foreign Investment Company". We do not intend to calculate our earnings or profits for US federal income tax purposes. ADS holders with respect to which such dividends were paid are readily tradable on an established securities market and any distributions with respect to our ordinary shares or ADSs will constitute dividend income if the dividend rate is subject to certain important requirements and exceptions, including, without limitation, certain holding period requirements and an exception applicable generally to distributions on fair value basis, commonly known as the "free market" test, in a free market and involving representative amounts. US holders are urged to consult their tax advisors regarding the US on or before two business days following the date of the execution of the dividend payment, as the rate applicable to their receipt of any dividends paid with respect to ordinary shares and ADSs. The Internal Revenue Service has the authority to determine the spot rate. Dividend income derived with respect to the ordinary shares or ADSs will not be eligible for the deduction for foreign taxes paid to a US corporation under Section 243 of the Code. Dividend income will be treated as foreign source income for foreign tax credit and other purposes. In computing the separate foreign tax credit limitations, dividend income should generally constitute "passive category income," or in the case of certain US holders, "general category income."

Subject to the discussion below under the heading "Passive Foreign Investment Company", upon a taxable disposition of ordinary shares or ADSs, a US holder will recognize gain or loss in an amount equal to the difference between the US dollar value of the amount realized on the sale or exchange and such holder's adjusted tax basis in the ordinary shares or ADSs. Subject to the application of the "passive foreign investment company" rules discussed below, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the US holder has held the ordinary shares or ADSs for more than one year. The US dollar value of the amount realized on the sale or exchange will be determined by a US holder on the spot rate as determined on the settlement date of such exchange. US holders generally will be treated as US-source gain or loss for US foreign tax credit purposes in rand and converts rand into US dollars at a conversion rate other than the rate in effect on the settlement date may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss. An accrual basis US holder may elect the same treatment required of cash basis taxpayers with respect to ordinary shares or ADSs, provided that the election is applied consistently from year to year. Such election may not be changed without the consent of the Internal Revenue Service. In the event that an accrual basis holder does not elect to be treated as a cash basis taxpayer, such US holder may have a foreign currency gain or loss for US federal income tax purposes because of the differences between the US dollar value of the currency received prevailing on the trade date and the settlement date. Any such currency gain or loss will be treated as ordinary income or loss and would be in addition to gain or loss, if any, recognized by such US holder on the disposition of such ordinary shares or ADSs.

A special and adverse set of US federal income tax rules apply to a US holder that holds stock in investment company for a PFIC. We would be a PFIC for US federal income tax purposes if for any taxable year either (i) 75% or more of our gross income, including our pro rata share of the gross income of any company in which we are considered to own 25% or more of the shares by value, were passive income or (ii) 50% or more of our average total assets (by value), including our pro rata share of the assets of any company in which we are considered to own 25% or more of the shares by value, were assets that produced or were held for the production of passive income. If we were a PFIC, US holders of the ordinary shares or ADSs would be subject to special rules with respect to (i) any gain recognized upon the disposition of the ordinary shares or ADSs and (ii) any excess distribution will be allocated ratably over a US holder's holding period excess distribution (generally any distributions to a US holder during a single taxable year that is greater than 25% of the average amount of distributions received by such US holder during the three preceding taxable years in respect of the ordinary shares or ADSs allocated to the taxable year in which a US holder realizes the gain or excess ADSs, but not the US holder's holding period for the ordinary shares or ADSs). Under these rules:

- ordinary income;
- the amount allocated to each prior year (other than a pre-PFIC year), with certain exceptions, will be taxed at the highest tax rate in effect for that year; and
- Although the general rule is that a US holder who elects to recognize gain based on the unrealized appreciation in the ordinary shares or ADSs through the close of the tax year in which we cease to be a PFIC, a US holder who beneficially owns stock in a PFIC must file Form 8621 (Return by a Shareholder of Investment Company or Qualified Electing Fund) with the Internal Revenue Service for each tax year such holder holds stock in a PFIC and (i) recognizes gain on a direct or indirect disposition of such stock, (ii) receives certain direct or indirect distributions from such PFIC, or (iii) is making certain elections (including a mark-to-market election and an election to be treated as a "qualified electing fund," as described below) with respect to such PFIC. This form describes any distributions received with respect to such stock and any gain realized upon the disposition of such stock. Under newly enacted legislation, unless otherwise provided by the US Secretary of Treasury, shareholders of a PFIC are required to file an annual report with the Internal Revenue Service containing such information as the US Secretary of Treasury may require. Although the information required to be reported pursuant to this election pursuant to this legislation remains unknown, it could enhance the reporting requirements applicable to the US holder's adjusted tax basis in such ordinary shares or ADSs. Losses would be allowed only to the extent of net mark-to-market gain previously included by the US holder under the election for prior taxable years. If a mark-to-market election with respect to ordinary shares or ADSs is in effect on the date of a US holder's death, the tax basis of the ordinary shares or ADSs in the hands of a US holder who acquired them from a decedent will be the adjusted basis described above as to apply if such holder makes an election to report ordinary shares or ADSs as to basis. We are not making the mark-to-market election and we are not making the "qualified electing fund" election. We comply with the requirements of making the "qualified electing fund" election to supply US holders with the information needed to report income and gain pursuant to a "qualified electing fund" election in the event that we are classified as a PFIC.