



HARMONY GOLD MINING COMPANY LIMITED

NYSE and NASDAQ
Trading symbol HMY
JSE trading symbol HAR

HARMONY'S AUDIT COMMITTEE CHARTER

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1 Constitution

The Harmony Audit Committee ("the Committee") has been established by the Board of Directors ("the Board") of the Harmony Gold Mining Company Limited ("the company") and its subsidiaries ("the group") to act in the capacity of an Audit Committee in respect of the group and thereby to assist the Board with regard to matters set out below.

Any reference in this charter to "the group" is to be interpreted to include any company or companies within the group and not necessarily to refer only to the group as a whole.

2 Purpose and role

The Committee is established to:

- 2.1 assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, internal controls and control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards.
- 2.2 provide support to the Board on the risk appetite and risk management of the group.

3 Responsibilities and duties

The Committee must assume the following responsibilities:

- The establishment of an audit charter to guide the audit approach, as well as its modus operandi and the rules that govern the audit relationship;
- Assess the processes relating to and the results emanating from the group's risk and control environment;
- Oversee the financial reporting process;
- Evaluate and coordinate the internal and external audit process;
- Foster and improve open communication and contact with relevant stakeholders of the group;
- Monitor the compliance of the group with legal requirements and the group's code of ethics; and
- Review the independence of the internal and external auditors.

The Committee is responsible to and must report and make recommendations to the Board but the Board retains accountability for implementing such recommendations.

To fulfil its responsibilities, referred to above, the duties of the Committee shall include:

3.1 General

- Review the group's strategic plan and strategic management process.
- Review the accounting policies adopted by the group and any proposed changes thereto.
- Consider any other matters which may be referred to the Committee by the Board from time to time.
- Meet at least annually with the external auditor and full Board without the executive being present.
- Periodically review and update of the charter, preferably annually, or as conditions dictate.

3.2 Risk Management

- Overseeing the identification, prioritisation and management of market risk, credit risk, liquidity risk, operational risk and commercial risk;
- Directing the facilitation of risk assessments and measurement to determine the material risks to which the group may be exposed and to evaluate the strategy for managing those risks;
- Guiding the risk management strategy to prioritise and direct the audit effort, and consider recommendations regarding the skills and actions required to manage these risks;
- Monitoring changes in the internal and external environment and the emergence of new risks;
- Reviewing and assessing the reports issued by the Enterprise Risk Management Committee;
- Reviewing the adequacy of insurance coverage;
- Reviewing the adequacy of the Disaster Recovery and Business Resumption plans;
- Monitoring procedures to deal with and review disclosure of information to third parties in so far as these disclosures could pose a risk to the group; and
- Evaluating whether the roles and responsibilities of the Enterprise Risk Management Committee and especially the integration of risk management into decision-making and other organisational processes, as stated in the Risk Management policy, are effectively achieved.

3.3 External Audit

- Make recommendations to the Board with regard to the appointment of external auditors, including the scope of the audit, the terms of the engagement and the fees and other compensation to be paid to the external auditor;
- Ensure that the appointment of the auditor complies with the Companies Act and any other regulations relating to such appointment;
- On an annual basis, review and discuss with the external auditor all significant relationships the auditors have with the group to assess the auditor's independence;
- Determine the nature and extent of non-audit work to be done by the external auditor, including assignments in respect of the Sarbanes Oxley Act, 2002, which does not fall within the normal scope of their audit and pre-approve any proposed contract with the auditor for the provision of non-audit services to the group;
- Set mandatory term limits on the length of time that an audit partner may serve;
- Periodically consult with the external auditor about internal controls and the completeness and accuracy of the group's financial records;
- Review external audit reports to ensure that prompt action is taken by management in respect of those reports;
- Review any significant disagreement among management and the external auditor in connection with any external audit report; and
- Evaluate the performance of the external auditor.

3.4 Financial Reporting Processes

- Evaluate the financial statements of the group for reasonableness, compliance with accounting standards and regulatory requirements, completeness and accuracy, prior to issue and approval by the Board;

- Consider the directors' report in the financial statements on how the Committee carried out its functions and the statement on whether the Committee is satisfied that the auditor was independent from the group;
- In consultation with the external auditors and the internal auditors, review the integrity of the group's financial controls and reporting processes, both internal and external;
- Consider the external auditor's opinion about the quality and appropriateness of the group's accounting policies as applied in its financial reporting;
- Consider and approve, if appropriate, major changes to the group's auditing and accounting principles and practices as suggested by the external auditor, management, or the internal audit department;
- Consider significant adjustments resulting from the audit, the basis on which the group has been determined a going concern, capital adequacy and pay particular attention to complex and/or unusual transactions and assess the accuracy of the accounting treatment thereof;
- Review the non-financial sections of the annual report before its release and consider whether the information is appropriate to its audience and meaningfully and accurately contributes to stakeholders' knowledge about the group and its operations; and
- Approve interim reporting and prospectuses before issuing.

3.5 Process Improvement

- Establish regular and separate systems of reporting to the Committee by senior management, the external auditor and the internal auditors regarding any significant judgements made and the view of each as to appropriateness of such judgements; and
- Review with the external auditor, the internal auditors management the extent to which changes or improvements in financial / accounting practices or control environment, as approved by the Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of improvements, as decided by the Committee.)

3.6 Ethical and Legal Compliance

- Establish clearly defined and documented code of ethics;
- Review compliance with all laws, regulations, ethics and other policies and rules and the requirements of the articles of association;
- Review and make recommendations on significant cases of employee conflicts of interest, misconduct, or fraud and the resolution of these cases;
- Review the internal auditors' reports concerning any compliance reviews;
- Review periodically the group's code of conduct and ensure that management has established a system to enforce this code;
- Oversee management's monitoring of compliance with the group's code of ethics;
- Ensure that management has the proper control systems in place to ensure that any activities, reports and other financial information disseminated meets legal or regulatory requirements;
- Review with the group's counsel any legal matter that could have a significant impact on the group;
- Perform any other activities consistent with this charter, as the Committee or the Board deems necessary or appropriate; and
- Receiving and dealing with complaints from within and outside the group, relating to either the accounting practices and internal audit function of the

group, or the content or auditing of its financial statements or to any matter related to the aforesaid.

3.7 Internal Control

- Understand the group's key risk areas and how this drives the internal control structure. The Committee should monitor the control process through the results of audits executed by the internal and external audit functions. The monitoring includes internal and external audit reviews of the adequacy and effectiveness of the group's internal control structure and the quality of performance in carrying out assigned responsibilities. It also includes the extent to which resources are utilised in an efficient and economical manner and that programs are carried out as planned;
- Report on the effectiveness of internal controls in managing risks in the annual report of the group; and
- Oversee and monitor information technology systems governance and the role that this plays in providing internal controls.

3.8 Responsibilities related to the Internal Auditing Function

- Review and approval of the Internal Audit Charter;
- Concur with the appointment or removal of the internal audit management, which includes any company to whom the internal audit function has been outsourced;
- Assess the objectives, activities, organisational structure, and qualifications and otherwise the adequacy of performance and resources of the internal audit department or outsourced internal audit function;
- Review internal audit plans, budgets and fees;
- Assess any significant audit findings;
- Review any quality assurance reviews performed on the work of the internal audit department;
- Monitor that internal audit complies with the relevant rules and regulations;
- Regularly assess whether the internal audit department maintains its independence;
- Review and approve the internal audit reports to management and management's response thereto;
- Evaluate whether senior management is communicating the importance of internal control and the management of risk; and
- Ensure that there is co-operation and co-ordination between the internal and external audit functions.

3.9 Reporting

The Committee must report and make recommendations to the Board regarding any issues that may arise.

In order to discharge its responsibilities and fulfil its duties the Committee will engage in the specific activities as per the proposed work-plan annexed. The particular work-plan of this Committee is to be approved by the Board annually at the start of the group's financial year.

4 Powers

The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment.

The Board has an oversight responsibility and the Committee assists the Board in fulfilling this responsibility.

In order to enable it to fulfil its functions the Committee has unrestricted access to all information, including records, property and personnel of the group, and must be provided with adequate resources in order to fulfil its oversight responsibilities.

The Committee is authorised by the Board to:

- Investigate any activities within its terms of reference;
- Seek outside legal or other independent professional advice;
- Secure the attendance of outsiders with the relevant experience and expertise where necessary at the group's expense;
- Seek any information it requires from any employee, and all employees are required to co-operate with any requests made by the Committee; and
- Further delegate responsibility to a Sub-Committee set up by the Board or an executive Committee.

5 Membership

5.1 Composition

The Committee must be constituted so as to ensure its independence.

The Committee shall be appointed by the Board and shall comply with the following membership composition guidelines:

- Consist of at least three non-executive directors;
- Consist of a majority of independent, non-executive members; and
- A non-executive chairman who shall not be the chairman of the Board will be elected by the Board.

5.2 Appointment

The Board shall appoint the members of the Audit Committee. Unless the Board elects a chairman, the members of the Committee may designate a chairman by majority vote of the full Committee membership.

5.3 Duration of membership

Members of the Committee shall be appointed for such time as the Board requires.

5.4 Termination

The Board has to concur with any termination of the services of a person serving on the Committee.

6 Meetings

6.1 Frequency

The Committee will meet at least four times a year, or more frequently as circumstances dictate.

Meetings should be held prior to Board meetings and correspond with major phases of the financial reporting, external audit and internal audit cycles.

As part of its responsibility to foster open communication, the Committee will meet at least annually with the Chief Executive Officer, the Head of the Internal Audit Department and/or outsourced internal audit function and the external auditors in separate sessions to discuss matters that the Committee or any of these groups believe should be discussed privately.

6.2 Agenda

The Committee secretary in consultation with the chairman of the Committee shall draw up an agenda, which shall be circulated with supporting documentation, at least 5 days prior to each meeting to the members of the Committee, and where applicable to the external auditors, the Head of the Internal Audit Department and/or the outsourced audit function, the Chief Executive Officer and Chief Financial Officer.

6.3 Minutes

A Committee secretary must be appointed to attend and minute all meetings.

The minutes of the Committee meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee.

6.4 Quorum

A minimum of two non-executive members must attend to constitute a meeting quorum.

6.5 Attendance

A senior representative of external audit, the Head of the Internal Audit Department and/or representative of the outsourced internal audit function, the Chief Executive Officer and Chief Financial Officer and any other senior member of management may be invited to attend Committee meetings.

The Committee may invite any other relevant person to attend Committee meetings.

7 Member skills and training

The Committee's effectiveness in performing its mission depends on its members' knowledge and competence in business matters, financial reporting, internal controls and auditing.

Every member should have experience in some area pertinent to the business, and at least one member should be familiar with the group's industry. All members must have basic financial literacy, i.e. the ability to read and understand the fundamentals of financial statements, including a company's balance sheet, income statement and cash flow statement. At a minimum, one member should have a solid background in finance, accounting, or auditing, to be able to act as guide for the Committee during technical discussions. All members should be adept at communicating with management and the auditors, ready to ask probing questions relating to the group's financial risks and accounting.

New members should receive an orientation that allows them to function effectively from the very beginning.

8 Remuneration

Having regard to the duties performed by the members of this Committee in addition to their function as directors, members of the Committee shall be paid such additional remuneration in respect of their appointment on this Committee as shall be fixed by the Board.

The chairman of the Committee shall, in addition to his/ her remuneration as member of this Committee, receive an additional amount for fulfilling the role as chairman as determined by the Board.

9 Self-assessment

The Committee should conduct continual self-assessment or self-evaluation. The Committee chairman should assess the performance of individual Committee members, and the Board should evaluate the Committee's chairman, based on several factors. These include:

- Expertise;
- Inquiring attitude, objectivity, and independence;
- Judgement;
- Understanding of the group's business;
- Understanding of and commitment to the Committee's duties and responsibilities;
- Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- Timely responses; and
- Attendance at meetings.

Input from management and internal and external audit should form part of the Committee evaluation. After completing its evaluation, the Committee should review the results with the Board of directors, so that appropriate action can be taken on any recommendations resulting from the review.

10 General

The Committee members are obliged to disclose any interests they have within the group or outside the group that might interfere with their performance of their duties.

Any group related information that comes to light during their performance of duties must be kept confidential. This information can only be disclosed to the Board on request.

APPROVAL FOR AND ON BEHALF OF THE BOARD

Chairman:
BOARD OF DIRECTORS
HARMONY GOLD MINING COMPANY LIMITED

Date

Chairman
AUDIT COMMITTEE
HARMONY GOLD MINING COMPANY LIMITED

Date

Chief Executive
HARMONY GOLD MINING COMPANY LIMITED

Date